Minimum Stock Prices Hurt Investors

Rhodes' New Tax Plans

Insurance is Pawn in Jurisdiction Battle

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THE FINANCIAL POST

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Canadian Mining News Department Page 20

The Nation's Business

The Insurance Control Fight Creates Difficulties

Should Speed Up Preparations for Ottawa Confab

More Estimates Yet to Come

Insurance Fight Unsettles Business

THE spectacle of two major Canadian legislative bodies attempting during the past week to play legal havoc with the business of insurance in Canada should cause serious minded persons to ponder concernedly on the impasse brought about in this sphere in recent years by a jurisdiction quarrel that might in all probability have been avoided if common sense and good business judgment had been brought to bear on the situation more quickly.

For many years as is well known the provinces have been gaining more and more power in the insurance field by constantly undermining (in a perfectly legal way, of course) the capable control which for so many years was exercised in this field under federal jurisdiction. The majority of insurance companies doing business in this country have always favored the single, unified control of a federal jurisdiction but provincial protaganists have argued that this was quite beside the point so long as the constitutional soundness of the federal position remained in doubt.

* * *

THE situation came to a head a few months ago when a new Privy Council decision gave further sweeping powers to the provinces and led to doubts as to whether anything remained in the insurance field as far as Ottawa was concerned. Now, however, Ottawa has rewritten the Federal Insurance Act almost in its entirety and has gone so far as to declare that any British or foreign company that does not obtain a federal license may immediately be declared insolvent. At the same time Quebec, acting on what it believes are its rights under the Privy Council decision, has also brought down a bill demanding complete licensing and deposit requirements from all companies wishing to do business in Quebec, irrespective of whether they have a federal license or not.

Just what the outcome will be is uncertain at the moment but Quebec has wisely amended its act so that it does not come into effect until proclaimed by order-in-council. Discussion on the two federal insurance statutes will commence shortly in the banking and commerce committee of the Senate.

* * *

AND in the meantime some 500 companies with assets of over $2,500,000,000, some of which do business in all parts of the world, find themselves faced not only with the prospect of untold uncertainty in regard to the conduct of their business but also facing loss of prestige and valuable business in other parts of the world, unless something can be done to prevent another long-drawn out legal battle over this vexed question. Why? Because there is apparently an entire lack of good faith between the federal and provincial governments in regard to insurance and until such faith is restored it is doubtful if even Privy Council decisions will have the desired effect of clearing up once and for all a problem that is apparently getting farther from, rather than nearer to, a satisfactory solution.

Before either of these acts are proclaimed a determined and wholehearted attempt should be made to see if, even at this very late date, some sort of bonne entente between Ottawa and the provinces cannot be arrived at and the slate be cleaned of the personal animosities which have obviously been at work in this issue for the past fifteen years. The institution of insurance in Canada is too valuable an asset to be jeopardized by perpetual legal bickering which apparently is getting us nowhere.

* * *

Preparations for Ottawa Conference

IT IS a favorite theme of some editors and public speakers, who discuss the forthcoming Imperial Economic Conference to argue that the conference should not be approached in a bargaining spirit. The implication that there is something mean and petty about bargaining is one that should be dispelled. If the Imperial Economic Conference of 1932 is to succeed, where the 1930 one failed, it will have to be by business-like trading of concessions upon a basis of agreement in the general principle of Imperial economic development. The 1930 conference was too impractical an affair. Most of those who attended that conference went with their heads filled with impractical theories and their hands completely empty. But whether bargaining for Imperial preferences is sound or not it is going to be the order of the day at Ottawa in July.

* * *

ALREADY Great Britain has armed itself with a bag of tokens that will pass freely as the currency of the conference. It has put on a tariff and has given the

(Continued on page 2, col. 6)

U.S. EMBARKS ON INFLATION TO SAVE BANKS

But Stock Markets Show Hope Exists 'Twill Aid Trade

CHEAPENS DOLLAR

Threat of France Against U.S. Gold Reserves Countered By Broader Basis For Currency

From Our Own Correspondent

WASHINGTON. — Rising stock prices and forecasts of higher commodity prices are the result chiefly of the government's new policies of "reflation" through the Reconstruction Finance Corporation and "inflation" through the Glass bill widening the currency backing of the nation.

Washington is engaged in another "noble experiment" in which Canadians have more than a mere academic interest, and it is nothing more nor less than a process of cheapening the dollar.

In the background stands the frowning, threatening figure of the newest occupant of the rôle of King Midas—France. French financial policy has threatened American gold reserves and under the rigorous currency reserve requirements of the United States a loss of gold threatened further deflation. With laxer standards established by law, the United States can now lose millions of gold without restriction in its currency.

It may be that early enthusiasm for inflation will be dampened if business fails to pick up quickly. So far Washington has been able to conceal from the general public the fact that the Glass bill was passed because it was urgently needed to prevent trouble in a certain banking quarter.

Door Open for Inflation

The fact which stands out most conspicuously in the new policies of the United States is that the government is opening the door for a great inflation of the currency, while at the same time the leaders are denying most emphatically that there is any intention or expectation that an inflation shall occur.

The legislation increasing the note-issuing powers of the Federal Reserve banks is capable, according to the estimates, of adding about $2,500,000,000 to the circulation in the hands of the people. In ordinary experience, a proposition of this kind would bring a sharp clash of opinion in the United States between conservatives and those whose habitual remedy for hard times is to issue more money. This act, however, has presented one of the most remarkable examples of harmony between opposing parties in the political history of the country. The President called into conference the leading Democrats in Congress and recommended the measure with the support of his principal financial advisers, such as Secretary Ogden Mills, Charles G. Dawes and Eugene Meyer. Congress undertook the legislation under Democratic auspices, but with virtually unanimous support from the representatives of all parties. The stock market responded with a prompt advance, and the comment both at home and abroad showed hearty approval. Whether these reactions reflected a belief that an inflation would occur or a confidence that the needed stimulus to business would be gained without that step may be a question to be decided by after-events.

Need is Not More Money

So far as the money supply of the United States is concerned, the information given out by the Treasury Department just before the Federal Reserve legislation appeared was calculated to show that the amount is more than sufficient, even if there already has not been too much inflation. The Federal Reserve notes alone in circulation on January 31 amounted to $2,647,837,200. There has been an increase of $1,129,000,000 since last April. Other money in circulation includes: gold certificates, $850,248,900; silver certificates, $366,770,800; national banknotes, $677,083,700; United States notes, $281,689,000. The total, including gold holdings and fractional currency,

(Continued on page 2, col. 7)

Corporate Lives Tossed in Jackpot By Insurance Act

Final Showdown Regarding Insurance Jurisdiction May Come Soon

AFFECTS BIG FIELD

Announcement of New Insurance Acts By Ottawa and Quebec Portends Important Consequences

Corporate lives of some 500 insurance companies with invested assets in Canada of over two and one-half billion dollars were tossed last week into a constitutional jackpot when legislatures at Ottawa and Quebec made bold and perhaps final bids for control of insurance in Canada.

For the past twenty or thirty years fire and life insurance companies operating in Canada have for the most part been merely chips in the game of constitutional poker which provincial and federal lawyers and officials have been playing intermittently since 1868. Now a showdown is at hand and if the insurance acts brought down in Quebec and Ottawa last week come into force the companies will find themselves under probably ten separate jurisdictions in this country, each one claiming overlapping powers in regard to licensing them.

Fight For Control

The stakes in this game of course are the control of insurance jurisdiction in Canada—a business not specifically mentioned in the B. N. A. Act—and so far a showdown has been averted by costly legal manoeuvres of one side or the other. The culminating play, up until this week, was the legal decision of the Privy Council at London last fall which gave sweeping powers to the provinces at the expense of the federal government.

However the federal government would not accept defeat and for some time it has been known that insurance and legal officials at Ottawa were busy drafting a new act which it was hoped would assure once more, control of this field for the federal government. At the same time Quebec was working on a similar act designed to put into effect the new powers it believed it had gained through the Privy Council decision. The two acts appeared almost simultaneously last week.

Two Acts Outlined

In substance, the Quebec Act is an amendment to the present Quebec Insurance Act to the effect that all insurance companies wishing to do business within that province must first be licensed in the province and must make a substantial deposit to the province similar in amount to that now required by the federal government at Ottawa. No other provinces have yet shown their hands but since six out of nine provinces have what amounts to uniform insurance legislation, it is assumed that each one is prepared to enforce similar legislation to take advantage of the 1931 Privy Council decision.

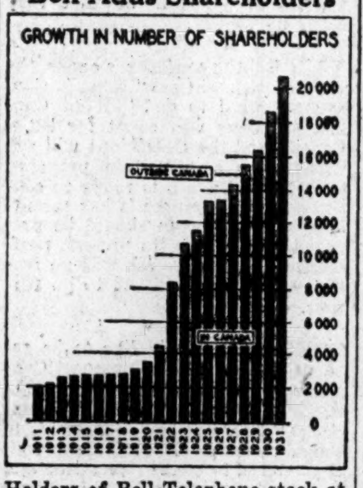
Later on in the week Senator Arthur Meighen as government leader in the Upper House produced two entirely new federal insurance acts in which the Post Office, the Bankruptcy Act and numerous other unusual expedients have been resorted to, in order to support the federal government contention that insurance control still rests in its hands.

Future Uncertain

What the next move will be no one cares to predict, but it seems certain that if both of these acts were to be brought into effect it would result in untold chaos as far as insurance business in Canada is concerned since it would set up a dual and parallel control of the business in Canada until such time as another Privy Council de-

(Continued on page 2, col. 3)

Bell Adds Shareholders



Holders of Bell Telephone stock at the end of 1931 were 2,063 more in number than a year ago. Of the 20,664 shareholders, more than half were women.

CONSUMERS' IS OFFERING NEW SHARES

Sale By Tender of $1,250,000 Common Stock to March 17-22

Consumers' Gas Company, which has not issued additional capital stock since 1929 though permitted by the Ontario Government to issue to a maximum of $1,250,000 in any year, announces that it will offer once more additional stock of $1,250,000 par value to be sold by tender. Sealed bids will be received up to noon of March 17 and tenders may be accepted at any time up to March 22. Issue of the new stock will bring the outstanding capitalization of the company to $14,500,000.

Great interest will attach to this issue of stock as there are few companies who would care to offer their securities, if it could be avoided, on such a market as has obtained for two years. The estimation of the stock of Consumers' Gas has remained high, however, as shown by stock market sales, and deservedly so, because the company has maintained 10 per cent dividends continuously since 1874 and dividends of some kind since 1848. In 1932 the stock has sold from 155 to 165 a share, giving on the average a yield of about 6½ per cent. The company therefore makes an offering of its stock with considerable confidence, and as in 1929 sells by tender. The Ontario Government limits the choice to sale by auction or tender.

Expanded Sales and Revenue

The average price secured in 1929 for the new issue was 188 but naturally under present conditions as much as this cannot be expected. As a rule it has been found that small investors make a somewhat larger bid than do some of the larger investors because they are anxious to make sure that they get what they bid for. Many large investors were too low in 1929, and did not get a share of the $1,250,000 of stock then issued. Conceivably this may happen in 1932 because Consumers Gas has continued to expand its sales and gross revenue during the two depression years of 1930 and 1931.

Capital expenditures by the company in 1931 included the finishing of an enlargement of the coal gas plant at Station "A" and improvements at Station "B." In the city and the several suburban communities now served the company built about 43 miles of mains. The 1932 programme will be largely confined to extending mains in new areas of the city and districts being built up outside the city.

May Have Good Surplus

In making these capital expenditures the company had at September 30, 1931, the end of its fiscal year, also acquired a banking indebtedness of $485,283. Since that time bank loans have gone up to $1,000,000 and this will be defrayed from the amounts received from sale of $1,250,000 new stock. In view of current prices for Consumers Gas Co. stock a premium is confidently expected, and the total sum received is expected to exceed $1,500,000. After paying bank loans that would still leave $500,000 for immediate expansion needs of the future and to add to investment.

A study of the company's financial statements for many years back shows that it had received throughout its history as premium on its capital stock a total amount of $6,591,555. Nearly $1,100,000 was received as premium in 1929 in the sale at that time of $1,250,000 par value and the increase since that time in fixed assets and in investments of the company are almost identical with the moneys received by the new issue. The equity of each share stands at about $159 in net tangible assets.

The size of the premium in shares sold in 1929 gave the company sufficient money so that it was not necessary to appeal for funds in 1930 and 1931.

Expect Good Statement From Imperial Tobacco

From Our Own Correspondent

MONTREAL.—Expectations are that the annual statement of Imperial Tobacco Co. of Canada for 1931 will compare favorably with that for the preceding year. The financial statement will be mailed to shareholders toward the end of this week and, though no official interim figures have been given out on earnings, it is understood that the common dividend will be shown as earned.

Figures on the consumption of tobacco products in Canada, issued from month to month by the Dominion Government, registered a slight falling off in 1931 as compared with the previous year. The decline was not overly great and any loss in sales experienced by Imperial Tobacco would more than likely be offset by lower cost of raw materials and economies in operations.

The report for the period ended December 31, 1930, covered fifteen months. In that period the company earned 80 cents a share, which permitted the distribution of 7 per cent plus a bonus of 4 per cent on the ordinary shares of a par value of $5 each.

Interest now centres around whether or not the company's earning will permit the payment of the usual bonus and, if so, how much. Between 1914 and 1925, Imperial Tobacco paid a regular dividend of 6 per cent, plus a 1 per cent bonus. The bonus was increased to 1½ per cent in 1926 and to 2 per cent in 1927, 1928 and 1929. The bonus of 4 per cent for the 15 months ended December 31, 1930, was due to special circumstances and it does not hold that a similar amount will be paid this year.

GEORGE WESTON HAS EXPANDED EAST AND WEST

Financed Purchase of New Companies With Stock of Subsidiaries

BANK AIDED ALSO

Latest Financial Statement Still Shows Commitments For Buying Lawlor's Bread

During 1931 George Weston, Ltd., increased its investment in shares of controlled and related companies at cost from $185,679 to $387,322. In this period control of Independent Biscuit Co. of Calgary came to it and an unstated number of shares in George Weston Bread and Cakes, which in 1930 was an independent company though owned by principals in control of George Weston, Ltd. This expansion and these changes were effected by a number of inter-company transactions and by financing which did not attract much notice from the public generally because they were not accomplished by use of the parent company's own shares or the issue of new securities. Two methods used to accomplish its ends was to trade shares of 437½ preferred shares of Wm. Paterson, a subsidiary, for control of Independent Biscuit and to use its credit to supply banking accommodation for George Weston Bread & Cakes when the latter bought Lawlor's Bread Co. and Royal Bakeries.

Get Hold in West

When George Weston acquired the Independent Biscuit Company of Calgary in 1931, it is understood that it gave 250 shares of 7 per cent stock of William Paterson, all then outstanding, in part exchange for Independent Biscuit preferred and common stock. These 250 shares of William Paterson were owned by George Weston but William Paterson also, it is understood, contributed some of its unissued preferred shares in order to complete the purchase of the Independent Biscuit Company so that Independent Biscuit Co. is owned jointly by George Weston and by William Paterson. So far as the first preferred stock of the Independent Biscuit Company is concerned, it is understood that it was purchased at the rate of 3⅓ preferred shares of William Paterson for 10 shares of Independent Biscuit Company preferred. As there are about 621 shares of preferred stock of William Paterson in the hands of the public and about 437½ shares of William Paterson were paid for Independent Biscuit Company, the difference may have been used in getting control of other companies. The purchase of Independent Biscuit Company was completed in 1931 and a bonus of 10 shares of common stock went with each 10 preferred shares of the Independent Company.

Independent Biscuit Co. was incorporated under Dominion charter in 1927 and owns a plant in Calgary engaged in the manufacture of plain and fancy biscuits with distribution from Winnipeg to the Pacific Coast. Outstanding capitalization consisted of $150,000 first preferred 7 per cent stock outstanding, $57,700 second preferred 7 per cent stock held by former management and 5,000 no par value common shares. George Weston and subsidiaries now hold 8,570 first preferred shares, or more than half, and all of 577 second preferred shares and 4,154 common shares. The common shares came partly as a bonus of 3,000 common shares with the second preferred stock formerly held by the management and the rest mainly with the first preferred. This would apparently require 300 shares of the first preferred stock of William Paterson alone in order to take care of the first preferred shares of the Independent Biscuit Company.

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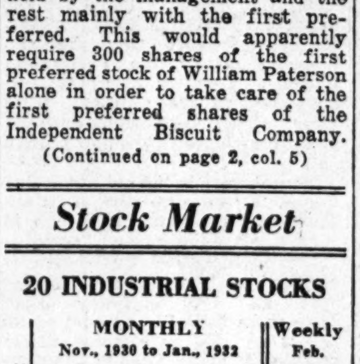
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Feb. 16	34.1	32.3
Week of Feb. 9	33.3	32.0
Month of Feb., 1931	58.9	49.4
8 Bank Stocks		
Week of Feb. 16	204	204
Week of Feb. 9	206	205
Month of Feb., 1931	249	244
10 Public Utilities		
Week of Feb. 16	55	54
Week of Feb. 9	55	54
Month of Feb., 1931	87	80

Increased Tax Rates Planned by Rhodes; Budget Down Early

Sales Tax Will be Set at Level of 6 Per Cent

INCOME TAX TO RISE

Exemptions Will be Reduced by $500 — Middle and Higher Brackets to Jump

From Our Own Correspondent

OTTAWA.—Information here is that the Federal budget will come down on or about March 10, and will contain the following increases in taxation:

The sales tax will be increased from 4 to 6 per cent.

The corporation tax will be increased from 10 to 12½ per cent.

The exemptions under the income tax will be reduced, probably by $500 for both single and married men, the rates of taxation increased, also, on the middle and upper income brackets.

The tariff, with the exception of a few changes, such as the fruit and vegetable section, will be left about as it is.

Turnover Tax Recedes

This is the present fiscal programme of the government. It may be modified in the next three weeks, and the final budget may contain several minor tax changes. But it is believed this is the main outline of the tax legislation which Hon. E. N. Rhodes will submit to the Commons.

Several factors are of interest. The turn-over tax with which the administration more than flirted two months ago, has been receding steadily into the background, particularly since the advent of Mr. Rhodes. The sales tax will be retained, will be increased to what is believed to be the point of maximum yield. Last year, when this tax was stepped up from 1 to 4 per cent, the government also withdrew the exemptions, but later restored them. This year, the government may seek to cut down the list of exemptions, but is unlikely to adopt such militant tactics as it previously did.

The increase in revenue which these tax increases will bring is a matter of pure conjecture. Last year, after a much more drastic increase, Mr. Bennett estimated the added revenue at more than $70,000,000, whereas the event proved that the higher taxation yielded less than did the lower taxation of the previous year.

May Consider 7 P. C.

Ordinarily a one per cent advance in sales tax is good for $20,000,000 additional revenue. This year, however, the government will probably count on not more than a $20,000,000 gain from a two per cent advance. Indeed, if the government believes that business can stand the strain, the rate may be fixed at 7 per cent. This, however, would be without precedent. The Liberals in 1923-4, found 6 per cent too onerous a tax to be efficient.

The higher corporation income

(Continued on page 2, col. 1)

Travel from Afar To Page-Hersey Mill

Representatives of manufacturers from all over North America are reported by Sanitary Engineer, Plumber & Steamfitter of Canada, to have travelled to the new weldless tube mill of Page-Hersey Tubes, Ltd., at Welland, Ont., to study the method adopted in the manufacture of weldless tubes. Production managers of three of the largest pipe mills in the United States have already been at the plant to gain information on the method and machinery used.

The new method of Page-Hersey of producing weldless steel tubes by push bench is among the most modern processes, assuring tube production, efficiently and uniformly.

CORP. STEEL AFFAIRS OFFER PUZZLEMENT

Liquidator Appointed for Subsidiary, George W. Reed Co.

MONTREAL.—Pending an official statement from the management of Corporate Steel Products, affairs of the company appear to be tangled up in various corporate complications. Two weeks ago announcement was made that Corporate Steel Products was unable to meet its obligations and that National Trust Co. had been appointed receiver-manager for its chief operating subsidiary, Western Steel Products.

Since that time there have been further developments, the latest of which is the placing in receivership of George W. Reed and Co., Montreal, subsidiary of Corporate Steel.

George S. Currie has been appointed provisional liquidator and will wrestle with a situation whose complications are causing creditors some dismay.

In the first place Corporate Steel is a holding company only. It holds all the shares of George W. Reed but the property of the Reed Co., comprising a new $1,000,000 plant in Montreal is owned by Western Steel Products whose common shares are held by Corporate Steel. It is understood that George W. Reed was operating in the capacity of agent, consequently its assets at the moment appear to be composed chiefly of goodwill. National Trust as receiver-manager will likely be unwilling to forego

(Continued on page 2, col. 3)

The Financial Post Cannot Be Used

The financial page of a Toronto newspaper makes this statement in regard to the General Brock Hotel at Niagara Falls:

> "It is stated that the recent article in a financial journal has been written with the intention of disturbing holders of the first mortgage bonds and dislodging such holdings so that interests in control of the hotel might purchase the bonds cheaply."

It seems obvious that the reference is to the review of the company's statement that appeared in The Financial Post last week. From W. A. Mackenzie, president of W. A. Mackenzie and Company, Toronto, who handled the first mortgage bond issue of this hotel, The Post has received a letter in which the following statements appear:

> "....the article in question is written deliberately to make the worst possible presentation and with the intention of unsettling the holders of the first mortgage bonds.
>
> "The people in control of the General Brock Hotel are desirous of buying bonds; buying all they can get if they can get them cheap enough and to that end they use The Post and The Post allows itself to be used."

Plain Record of Facts

Those who read the article on General Brock Hotel in The Financial Post of last week will recall that it was a plain, unvarnished review of the company's annual report for 1931. So far as The Post is aware, the article was the first to appear anywhere giving these figures.

Perhaps it is quite superfluous for The Financial Post to point out that this article was written for no other purpose than to provide investors in this project, who are readers of The Financial Post, with news that they expect to find in a financial and investment newspaper. Whether or not certain people are desirous of unsettling the holders of the first mortgage bonds The Post is quite unaware. Even if they were, nothing could aid their purpose better than a policy of secrecy regarding the earnings position of the hotel. The financial statement of this company, as of every company that has sold its securities to the investment public, is news and The Financial Post aims always to publish the news fairly and without bias. Certainly no one can buy the columns of The Financial Post for any attempt to campaign for or against any security. And no one can buy the silence of The Financial Post when there is fair and legitimate news to be published.

No "Free Puffs" Published

Every day The Financial Post receives articles for publication, written by people with an axe to grind. Various companies send out prepared reviews of their annual statements written the way they would like them to appear; or articles of general news or comment. This material is not published in The Post. This journal writes its own news articles; writes its own reviews of annual reports and expresses its own opinions.

The Financial Post is always glad to be informed of the progress of companies or individuals and to be informed of all new developments. Anyone is welcome in the offices of The Post when he brings authentic news for the paper. Company executives are welcome when they suggest policies for consideration by the editors of The Post. But all such news and all such suggestions are carefully sifted and investigated and if they are utilized they are published for their news value to our readers. But articles designed to conceal the facts or to mislead investors are short circuited into a commodious waste paper basket.

The Financial Post has attained the largest circulation of any Canadian business or investment newspaper because it is edited in the interests of its readers and not as a medium for the propaganda of any special interests.

The Financial Post cannot be "used."

U. K. TARIFF ON NEWSPRINT NOT WANTED

Would Disturb Existing World Marketing Conditions

SEE POLITICAL MOVE

Say Tariff Would Strengthen Hand of Rothermere-Beaverbrook Interests

From Our Own Correspondent

MONTREAL.—Little advantage, and possibly marked disadvantages, would result from the United Kingdom giving Canada and Newfoundland a 10 per cent preferential tariff on newsprint in the United Kingdom.

Cable despatches indicate that a certain section of the London press has been loud in its clamoring for this "protection," while the trade commissioner of Newfoundland and the Hon. G. Howard Ferguson are reported to have made representations to the British Government asking that newsprint be taken off the free list.

See Political Move

Newsprint executives on this side regard the agitation for taking newsprint off the free list as a move on the part of the Rothermere-Beaverbrook interests to enlarge their control over the English newspaper situation.

In substantiating this statement, it is pointed out that at present England receives its newsprint supply from three sources. There is the domestic manufacturer, who takes care of a large share of requirements. The potential domestic supply was increased not long ago by the establishment of a new mill with an annual capacity of some 60,000 tons, so that there has been a lessening of imports.

Two Foreign Sources

The two foreign sources are the Scandinavian and the Finnish mills on the one hand and the Newfoundland and the Canadian mills on the other. The former are keen competitors and secure a substantial proportion of the trade.

Both the Rothermere and Beaverbrook groups are closely associated with newsprint manufacturing enterprises in this country and Newfoundland. As is well known, Rothermere has control of the Anglo-Canadian Pulp and Paper Mills and is interested in the Anglo-Newfoundland Development Co. at Grand Falls, Nfld. Though Lord Beaverbrook's name is not closely identified with any of the Canadian producers, he is generally regarded as having substantial interests in the Dominion.

Would Strengthen Position

If a 10 per cent preferential duty was given on newsprint to the Dominions, it is apparent that the Rothermere-Beaverbrook combination would not be at a disadvantage in so far as their supply of newsprint is concerned.

The Rothermere mills would have an edge in the English market and it is possible that they would be in a position to take away business from the Scandinavian and Finnish mills. This would mean that English newspaper publishers, other than those with their own source of supply, might have to take from the Newfoundland or Canadian mills. In other words, Rothermere in particular would be in the position of supplying newsprint to his competitors in the publishing field.

Open Up Possibilities

Meanwhile the Scandinavian and Finnish newsprint manufacturers would not lose their position in the

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INCREASED TAX RATES PLANNED BY RHODES; BUDGET DOWN EARLY

(Continued from page 1)

tax should net the treasury at least $10,000,000. The administration will be tightened up, and tax evasions reduced to a minimum.

The higher income tax on individuals should bring in something like $10,000,000. This estimate, also, is based upon more efficient enforcement.

All told, therefore, the government will hope to step up its receipts by about $40,000,000 per year.

The estimates, tabled Monday, revealed a cut in expenditures of $43,000,000 and the total improvement in the financial position, therefore, should exceed $80,000,000 per year.

Placing this against the internal deficit, which promises now to run to $75,000,000 it will be seen that a balanced budget for next year is not an impossibility.

Whole Story Not Told

There is one further factor, however, and it is that government expenditures are not completely disclosed by the main estimates. Last year the government slashed the main estimates by more than $30,000,000 but subsequent supplementary votes plus such statutory expenditures as the wheat bonus and unemployment relief more than took up the earlier saving.

Therefore while the government now appears likely to tie up the main strands of finance—income and outgo—every subsequent vote will make this more difficult of achievement. It is notable that Monday's main estimates contained nothing for wheat bonus, unemployment works and relief, the usual supplementary estimates for public works, increased provincial subsidies arising out of the 1931 census and estimated by the government at $1,000,000 per year; or the St. Lawrence Waterway.

When Forwarding Money

use The Bank of Nova Scotia drafts. Payable anywhere, readily secured without delay and at very moderate charges at any Branch of the Bank.

THE BANK OF NOVA SCOTIA

Established 1832

Capital, $12,000,000. Reserve, $24,000,000.
Total Assets over $265,000,000

NINETEENTH ANNUAL REPORT
OF

The Waterloo Trust and Savings Company

DECEMBER 31st, 1931

ASSETS AND LIABILITIES

ASSETS

CAPITAL ACCOUNT		
Office Premises, Waterloo and Kitchener, including Safety Deposit Vault, etc. and fixtures, Galt and Preston	$	199,502.64
Other Real Estate		50,323.06
Mortgages		
Principal	$183,907.05	
Interest due and accrued	24,659.21	
		208,566.26
Demand Loans Against Securities		
Loans on Company's own stock	$ 38,435.24	
Loans on other securities	291,710.43	
		330,145.67
Provincial and Provincial Guar. Bonds	$225,604.87	
Municipal Bonds	268,164.82	
Other Bonds and Debentures	602,664.26	
		1,096,433.95
Other Assets		22,219.16
Advances to Estates under administration		24,690.00
Cash on hand and in Banks		39,704.73
		$ 1,971,585.47
GUARANTEED TRUST ACCOUNT		
Mortgages	$5,253,644.99	
Interest due and accrued	109,294.83	
		5,362,939.82
Dominion and Provincial Government Bonds	363,042.07	
Dom. and Prov. Gov't. Guaranteed Bonds	339,921.85	
Canadian Municipal Bonds	1,410,434.48	
		2,113,398.40
Demand Loans against securities		167,793.79
Cash on hand and in Banks		239,371.26
		$ 7,883,503.27
ESTATES, TRUST & AGENCY ACCOUNT		
Mortgages		433,575.00
Bonds		189,828.72
Sundry Trust Investments		66,435.72
Cash on hand and in Banks		80,918.62
Inventory value of unrealized Estates Assets		1,784,235.51
		$ 2,554,993.57
		$12,410,082.31

E. F. SEAGRAM,
President.

December 31st, 1931.

LIABILITIES

CAPITAL ACCOUNT	
Capital Paid-up	$ 1,000,000.00
Reserve Account	450,000.00
Loan on account National Service Bonds	475,000.00
Dividend declared (Paid Jan. 2, 1932)	35,000.00
Profit and Loss	11,585.47
	$ 1,971,585.47
GUARANTEED TRUST ACCOUNT	
General Guaranteed Investment Receipts	$ 3,685,314.95
Trust Deposits	4,198,188.32
	$ 7,883,503.27
ESTATES, TRUST & AGENCY ACCOUNT	
Trust funds for Investment	$ 746,068.06
Advances from capital Funds	24,690.00
Inventory value of unrealized Estates Assets	1,784,235.51
	$ 2,554,993.57
	$12,410,082.31

P. V. WILSON,
Managing-Director.

To the Directors and Shareholders of The Waterloo Trust and Savings Company.

GENTLEMEN:—

We beg to report that we have audited the books of account and vouchers of your corporation for the year ending 31st December, 1931, and have verified the cash, bank balances, and securities of the corporation.

That we have examined the annexed statement and that it agrees with the books of the corporation.

That after due consideration we have formed an independent opinion as to the position of the corporation.

That with our independent opinion so formed and according to the best of our information and the explanations given us, we certify that in our opinion the statement sets forth fairly and truly the affairs of the corporation.

That all transactions of the corporation that have come within our notice have been within the powers of the corporation.

Respectfully submitted,

J. F. SCULLY, C.A.,
R. P. UFFELMANN, C.A., Auditors.

Kitchener, Ontario, January 28th, 1932.

CORP. STEEL AFFAIRS OFFER PUZZLEMENT

(Continued from page 1)

any of its rights in connection with the Western Steel Products; possibly some way round this impasse will be found to the satisfaction of all concerned.

Another problem which threatened to break up the structure of Corporate Steel was the filing of a petition by the Pedlar People Ltd. for an order winding up the Metallic Roofing Co., Toronto, a subsidiary of Western Steel Products. In this case National Trust applied to the courts in Winnipeg for authority to pay all claims against Metallic Roofing and obtained permission to provide funds necessary to pay its trade creditors.

Investors Are Bewildered

Creditors of Corporate Steel are still confused as to their position while investors in the shares of that company and Western Steel Products have a still hazier idea of their prospects. It is expected that a definite statement will be forthcoming shortly which should straighten out some of the problems which are puzzling creditors and security holders.

According to Hardware and Metal, a committee has been formed by creditors for investigation. This body comprises S. Kell, assistant general sales manager, Steel Co. of Canada; W. S. Leslie, president, A. C. Leslie and Co., Montreal; and C. L. Heather, Heather and Little, Toronto. The latter company, though a subsidiary of Corporate Steel Products, is also a creditor of Western Steel Products, a further indication of the involved situation prevailing.

Expanded Too Rapidly

Difficulties surrounding Corporate Steel and Western Steel Products may be attributed to too rapid expansion followed by the falling off in demand for the company's output and inventory losses. This comprises steel products of all kinds including agricultural, road building, grain elevator and general construction work tools as well as metallic roofing and sheet metals.

Announcement of the appointment of a receiver came as a surprise. Preferred dividends, paid regularly until October, 1931, were deferred and the next indication that all was not well was the recent statement to creditors. The 1930 financial statement of Corporate Steel showed the preferred dividend needs of Western Steel earned nearly three times over.

Recapitalized in 1928

Western Steel Products was originally formed in 1904, but the present company dates from 1928 when an offering of $1,150,000 of 6 per cent first mortgage bonds and $1,100,000 of 6½ per cent preferred stock was offered to the public. During 1929 an extension was made to the Calgary plant and a new plant was completed in Regina. Properties are also operated in Winnipeg, Edmonton, Vancouver, Victoria and Saskatoon.

In 1930 the firm of George W. Reed was purchased and an additional $1,000.000 of bonds were issued to provide funds for this expansion and construction of a new plant.

Later in that year Corporate Steel Products was formed as a holding company and common shareholders of Western Steel Products were offered a share for share exchange into stock of the new company. Practically all the 100,000 common shares outstanding were exchanged into Corporate Steel stock in this way.

The toll which this expansion had taken was indicated in the balance sheet of Corporate Steel at the end of 1930. Despite the fact that additional funds had been raised through the issuance of new bonds, bank loans totalled $1,234.885. Accounts receivable at that time were $1.051.115, and it may be that some difficulty has been experienced in collections.

CORPORATE LIVES TOSSED IN JACKPOT BY INSURANCE ACT

(Continued from page 1)

cision could be brought down. Fortunately an amending clause has been inserted in the Quebec Act staying the bringing into effect of the new legislation until proclaimed by the order-in-council. This would seem to indicate that Quebec is holding its admittedly powerful weapon in abeyance either until the federal act progresses through parliament or until the ultimate outcome of the present situation becomes clearer than it is at the present moment.

Similarly Senator Meighen has announced that insurance companies and other interested parties will be given plenty of opportunity to air their views on the federal bills when they reach the banking and commerce committee, and judging by the private opinions of insurance company executives expressed to The Financial Post there will be all sorts of opposition to these documents before they finally become law.

In fact it would not be surprising if Canadian insurance companies operating in Canada were to act as a body and make substantial representations to the various legislatures with a view to reaching some reasonable settlement of this vexed problem which is affecting their business and prestige, they say, both here and abroad.

Provinces Gaining Power

The trouble has been of course that in the past fifteen years provincial governments have been gradually gaining more and more legal ground in this matter of insurance jurisdiction. As a result provincial insurance departments of formidable size have been growing in most of the provinces, particularly in Quebec and Ontario—in spite of the fact that the great majority of companies doing business in Canada apparently prefer federal control.

Protagonists of provincial departments claim that the "reasonableness" or desirability of a unified federal control for insurance in Canada is beside the point since if modern interpretations of the B. N. A. Act delegate most of the matters pertaining to insurance to provincial hands, a satisfactory solution can only be achieved by getting the matter on sound constitutional ground and then building a superstructure of control accordingly.

Many following this situation, however, are beginning to feel that not even Privy Council decisions will put an end to this insurance wrangle under present conditions and that unless there is fundamentally good faith between the federal and provincial authorities in this matter no satisfactory solution will ever be reached. Whether or not some concerted attempt to restore this good faith will now be atempted before either of these acts can be proclaimed as law, remains to be seen.

New Acts Explained

But to return to the acts themselves.

Heretofore insurance companies licensed under federal incorporation at Ottawa, and wishing to operate in Quebec, merely "registered" in the province and undertook to comply with nominal conditions of registry. Quebec companies and those incorporated in other provinces were licensed under considerably more onerous requirements and forced to make a deposit. The new law repeals the provisions in regard to "registration" and in effect forces all companies to be fully "licensed" in the provinces and to make substantial deposits similar to those demanded of purely Quebec or provincial concerns.

This means that all companies whether they have a federal license or not would have to meet rigid licensing and deposit requirements in Quebec, with the possible exception, provided in the new statute, which permits the licensing clause to be varied at the discretion of the Lieut.-Governor-in-Council.

Two Federal Acts

The old federal insurance act goes entirely by the boards and in its place are two new acts one relating to purely Canadian companies and the other to British and foreign companies operating in Canada.

One important change is the elimination of the old "policy condition" clauses known as sections 91,135 and 130, and the substitution of certain new clauses which specify the type of contracts that insurers may issue. Thus while the federal government has apparently accepted the point of view that policy conditions are a matter for provincial jurisdiction, it still clings hopefully to the belief that it is within federal power to prescribe the scope of operations of companies licensed by it.

For instance Section 35 in the new act says that any federally-licensed life insurance company whose charter permits it, may include in its portfolio (a) insurance against total disability; insurance against acident or sickness within certain limits; insurance providing double indemnity; annuity contracts; and endowment policies. Similarly under Section 36, clause 2, fire insurance powers "shall not be exercised to issue any policy extending over a period greater than three years."

Bankruptcy Act Invoked

The final important change is the insertion of two entirely new provisions in the act relating to British and foreign companies. According to this act, any British or foreign insurance company which attempts to do business in Canada without obtaining a federal license is immediately "deemed to be insolvent and shall be subject to be wound up under the provisions of The Winding-up Act, chapter 313, Revised Statutes of Canada, 1927."

Similarly the Post Office Act is invoked to ensure that any company not licensed at Ottawa, and using the Canadian mails for the purpose of transacting insurance, shall have its documents seized and disposed of by the Postmaster General. Taxation of certain foreign companies, declared ultra vires in the Privy Council decision is not mentioned in the new federal act.

New clauses in the act respecting Canadian insurance companies are those proposed some time ago in regard to the limitation of common stock investments by insurance companies. The new act provides that no life company shall have more than 25 per cent of its assets invested in common stocks and that if at the time of the coming into effect of the act, any company has more than this proportion invested in this way, it shall not be allowed to purchase any more common stocks until the 25 per cent clause has been complied with.

U. K. TARIFF ON NEWSPRINT NOT WANTED

(Continued from page 1)

English market without a struggle. If the 10 per cent preferential tariff would preclude them from trading in that market, they would inevitably turn to another free market, namely, the United States.

The North European mills are all located near deep-water facilities and once the boat is loaded with newsprint it makes little difference whether the cargo is landed at an English port or at an American port. With an exchange situation that favors them in competition with the Canadian manufacturers, the Scandinavian and Finnish producers would strengthen their competitive position in the United States, by having available larger supplies of newsprint at prices more favorable than those quoted by Canadian manufacturers.

Might Unsettle Market

Considering the fact that strenuous efforts are being made by the Canadian manufacturers to maintain stable marketing conditions in the United States newsprint market, any move of an adverse nature would be of greater disadvantage to them than the small benefit accruing from a preferential tariff in the United Kingdom.

Relations between the American publisher and the Canadian newsprint operator have not been all that they might be over the past two years. And with Hearst endeavoring to secure more favorable terms for his newsprint supply, diverting the attention of the Scandinavian and Finnish manufacturers to the United States market would not be conducive to further stability.

Overstress Advantages

That the cable despatches have over-stressed the importance of the English market to the Canadian pulp and paper industry is apparent in an examination of the trade returns

During 1931 there was no Canadian pulpwood shipped to the United Kingdom, nor was there any in the preceding year

Last year Canada exported nearly $30,000,000 worth of pulp, of which the United Kingdom took $1,442,000, while the United States received over $23,300,000 worth of all grades In the preceding year shipments had an aggregate value of about $38,600,000, the United Kingdom taking $1,052,000 and the United States $31,910,000

Relatively Small Buyer

Paper exports of all kinds in 1930 had a value of $138,530,243 and in 1931 of $111,114,042. Of the 1930 shipments the United Kingdom was credited with $9,052,437, of which newsprint represented $7,691,896. In the same year the United States imported $116,663,631 of Canadian paper, of which $115,258,761 was the value of newsprint.

Of Canadian paper exports last year, the United Kingdom took $6,420,779, the principal item being $5,161,787 of newsprint. It will be noted that exports of newsprint to the United Kingdom fell off in value from $7,691,896 in 1930 to $5,161,787 in 1931. This was due to lessened demand and the operation of the new English plant.

Though the United States purchased less Canadian paper last year, nevertheless it was the largest customer, taking $95,162,756 of all grades, newsprint accounting for $94,354,907.

GEORGE WESTON HAS EXPANDED EAST AND WEST

(Continued from page 1)

About 50 shares of that probably came from the treasury of William Paterson Company.

It was stated by officials of George Weston Limited that they had not sufficient of their own stock in the treasury to be in a position to finance the acquisition of Independent Biscuit Co. It is hoped to exchange shares of the parent company later.

Banks Aided Expansion

Considerable interest has been taken in the measures by which George Weston Ltd., financed the securing of control of Lawlor's Bread Ltd., and Regal Bakeries Ltd., by George Weston Bread and Cake Ltd. Previously, George Weston Bread and Cake Ltd. had been a private and independent venture altogether apart from George Weston Ltd., though the principals in the one had a large interest in the other. Early in 1931 George Weston, Ltd., secured control of the George Weston Bread and Cake and then, through this company, indirect control was secured of Lawlors Bread and Regal Bakeries. The latter company was purchased by George Weston Bread and Cake earlier in 1931, the consideration being $500,000 of which approximately $190,000 was paid in buildings for which George Weston Bread and Cake had no further use. William Paterson also participated in this venture, and 13,000 shares and options of purchase of George Weston Bread and Cake stock are owned by George Weston Ltd. and William Paterson Ltd. and the Weston family under an agreement.

In this particular case George Weston Ltd. shows a special account receivable outside of its current assets, of $256,250 owed by George Weston Bread and Cake, Ltd., re purchase of Lawlors Bread Ltd. This account at the end of 1930 had stood at $262,500.

On the liability side, there is a special account payable, outside the current liabilities, of $100,000 representing a bank advance made re the purchase of Lawlors Bread. A year earlier this had stood at $150,000. There is an additional amount of $106,250 due as balance of contract of purchase of Lawlors Bread, or $206,250 altogether. This is a drop in the year on this commitment for the purchase of Lawlor's Bread Ltd. of $56,250. No statement is made as to whether or not Geo. Weston Bread and Cakes earned enough to reimburse George Weston Ltd. for $50,000 paid to banks or not.

New Set-up for U. S.

In the report to shareholders, W. Garfield Weston, president, states that the decrease of $134,000 during 1931 in the net liquid position of the company was accounted for by the fact that $50,000 was paid off to the bank on the special loan account, and the balance was spent in acquiring stock in affiliated companies. The parent company, George Weston Ltd., is therefore evidently paying off the banking debt of George Weston Bread and Cake which sooner or later it expects its subsidiary to pay back to it.

Also, during 1931, a new American company, Weston Biscuit, Ltd., was formed to take over Weston Biscuit Corporation, the company's American affiliation. Three shares of common stock in the new company were given for each preferred share in the old corporation, and one common share was given for each 25 old common shares. George Weston, which held approximately 23,000 of the old company's shares, secured control of the new company through the exchange of shares, also through the acquisition of several options for purchase of the stock.

In consequence of these various transactions the company shows, among its capital stock liabilities, 621 preferred shares of $100 par value of William Paterson, Ltd., in the hands of the public. On the other hand, William Paterson Limited was shown a year ago as holding $17,000 of George Weston preferred and $17,854 of George Weston common stock. Apparently, when George Weston Bread and Cake, Ltd., acquired Lawlor's Bread in 1930, George Weston financed the transaction although George Weston Bread and Cake was not then a subsidiary. However, the latter company was to give a block of shares to George Weston, Ltd., without cash consideration. As the liability to the bank still appears on the balance sheet of the company as a separate item, apparently it has been decided not to wipe out the transaction in that manner entirely.

Wm. Paterson Made Money

William Paterson, Ltd., which is controlled by George Weston, has been manufacturing confectionery and biscuits since 1863. The company was re-organized in 1926, was taken over by George Weston, Ltd., on June 15, 1928. The preferred stock has not been paying dividends since 1927, and no dividend has been paid on the common stock at all.

The company, however, has been making money, it is understood. It had a funded debt at the end of 1928 of $161,000 6½ per cent first mortgage bonds, due 1941. During 1929, the parent company purchased and redeemed all the outstanding bonds of the subsidiary, company but it is understood that earnings for this purpose, to a great measure, came from William Paterson itself, which reimbursed George Weston.

Mr. Weston states that in 1931 the unit output was maintained to a great measure in spite of the decrease of $29,281 in accounts receivable. Inventories also showed a decline of $78,252 from 1930, a result of declining commodity prices.

The following tables of comparative income and surplus account for 1930 and 1931 and comparative working capital positions for the two years, embodies the figures given last week for comparative purposes in connection with this article:

CONS. INCOME AND SURPLUS ACCT.
Years Ended December 31

	1931 $	1930 $
Net operating profit	153,963	210,431
Less: Res. for inc. tax	15,847	17,276
Net profit	138,116	193,155
Less appropriations:		
Pref. divds.	65,094	60,000
Common divds.	50,000	50,000
Trans to conting. res.	......	50,000
Surplus for year	23,022	33,155
Add: Prev. surplus	262,945	232,791
Less: Adj. tax, 1930	3,883	......
Bal. carried forward	282,084	262,946

Working Capital

	1931 $	1930 $
Current assets	803,023	895,698
Current liabilities	138,854	97,226
Working capital	664,169	798,472
Ratio	5.78—1	9.21—1

The Nation's Business

(Continued from Page One)

Dominions a substantial preference with a definite date limit that makes some practical arrangements almost compulsory. It has gone further. Its embargo on Canadian potatoes seems to be also another string to the bargaining bow. (Of course, we have an embargo on British potatoes but it is unimportant beside the British embargo.) The pourparlers Great Britain has initiated with Denmark, Argentina and other countries that are competitors of Canada in the British market have probably been undertaken with the Ottawa meeting in view. Mr. Bennett will have to be well armed at Ottawa to come out of the conference with an agreement satisfactory to Canada.

His already steep tariffs against British goods provide a better basis for bargaining than did Mr. Dunning's voluntary gestures. Concessions at conferences of this character start from the status of affairs when the conference opens. If the concessions have been made months or years in advance they carry no weight.

* * *

WHEN the conference opens, the British will ask "What is Canada prepared to do?" What Canada has done will count for little. Canada and the Dominions will ask "What is Great Britain prepared to do?" If Britain is ready to continue the preferences it has recently granted, Canada should be prepared to continue its present preferences. If the British will go further Canada can afford to go further.

* * *

THE public would like to be reassured that in one respect Canada will be as well prepared as the British. This is in the field of statistical data and basic information. Canada went to the 1930 conference ill-prepared to answer questions and back up assertions with facts. There has been little evidence of extensive and detailed preparatory work for the 1932 conference. Until such evidence is provided the assumption that the preparatory work has been neglected, will hold. Time is short; all the governmental and business forces at the command or under the influence of the government should be marshalled now to the great task of ensuring that Canada's delegates to the conference enter the meetings fully armed with facts, not only as to tariffs but as to markets, as to Canada's present and potential consuming power for British and Empire goods, as to the viewpoint of different groups in economic Canada, and as to what preferences in the other British nations can adequately serve Canada's needs.

The fact-finding has probably already begun in desultory fashion but it should now be speeded up to the limit.

* * *

More Estimates Yet to Come

THE main estimates tabled at Ottawa are heralded as indicating a decline of $43,628,248 in government expenditures during the coming year. It would be well to restrain enthusiasm until the supplementary estimates have all been brought down. The alleged cut of $43,600,000 is based upon a comparison of this year's main estimates with the main and supplementary estimates of last year.

It will be recalled that when the main estimates were brought down last year they indicated a saving of $37,327,755. Yet ordinary, special and capital expenditures have shown an increase to date over the previous year.

The main estimates are highly misleading. They comprise ordinary and capital expenditures and they are always supplemented by additional votes for both public services and the Canadian National Railways.

Subject to these important reservations, which must be kept in mind if the optimistic claim of a potential $43,000,000 saving is not to mislead, there is considerable evidence of an attempt at economy by the government. The fact that practically all the individual departments have been asked to curtail their ordinary expenditures is significant.

U. S. EMBARKS ON INFLATION TO SAVE BANKS

(Continued from page 1)

reached $5,641,821,000, making $45.27 per capita. A year earlier the amount per capita was $37.25.

The obvious argument to be drawn from this statement, and the one which official authority strongly suggested, was that the need of the people was not more money, but more confidence to use the money which they have. The actual shortage of money, revealed by bank failures and demands, was to be explained only as the result of hoarding.

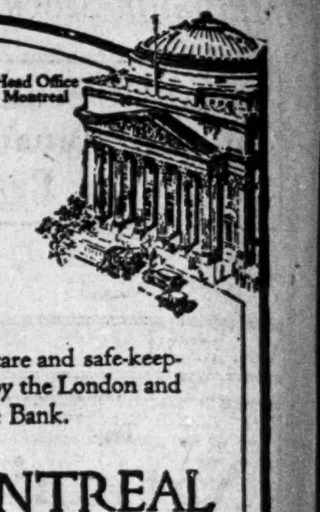
The explanation of the Federal Reserve legislation may be seen in part, at least, in the fact that the gold metal held by the Federal Reserve banks amounted to only $514,463,000. The purpose of the new law was not to increase the supply of paper notes, but to make available a greater amount of gold to support them. Calculations were offered that fully $1,000,000,000 would be added to the free gold.

Safeguards Against Excess

The safeguard against any unwise inflation is transferred by the new policy from the strict laws of Congress to the judgment of the administrative officials. Senator Glass, sponsor for the bill in the upper house, who was Secretary of the Treasury for a time under President Wilson, gave special emphasis to this point. He said:

"The bill, as perfected and introduced, is not intended nor will it be used for excessive inflation of the currency. . . . The two provisions relating to unusual rediscount operations are so carefully safeguarded as to make it improbable that there can be any unwholesome inflation of the currency unless we may assume that the Federal Reserve banks, with the approval of the Federal Reserve board, would be unwise and improvident enough to so administer the law as to bring about dangerous expansion."

At the same time it is to be noted that, while the results are obtained by drawing existing money out of hoarding or by issuing more, the widespread hope is that there will be a general movement toward the higher price level which appears necessary to put more profit in business and to set more unemployed men to work. The economic doctrine of the United States rests prosperity on high price levels, not on the greatest attainable cheapness.



CUSTODY OF SECURITIES

The Agency of the Bank of Montreal in New York accepts the custody of securities and performs all routine services in connection with their care and safe-keeping. A similar service is given by the London and Paris Offices of the Bank.

BANK OF MONTREAL
Established 1817

TOTAL ASSETS IN EXCESS OF $750,000,000

New Spring
SUITS
for Men
All With Extra Trousers

$25

Realizing that values in men's suits had not been as good in many years, the Store for Men selected these 500 new spring suits with extreme care, determined to present suits that were style right, made of very choice materials and handsomely trimmed and finished at a very moderate price. This, we believe, has been achieved in this group of rich worsted 2-trouser suits. Greys, browns and blues are featured in the new Spring patterns. Come in now and look them over. At $25.

Note: Men's suits priced at $15 or more may be purchased through the Home Lovers Club. First payment one-fourth and the balance in 3 equal monthly amounts, with no extra charge.

Store for Men—Street Floor

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Collections
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Quick Presentation—
Prompt Remittance.

THE DOMINION BANK
Established 1871

50 Branches
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94

Our Managers are in a position to supply much valuable information to exporters and importers.

UNION GAS SAVES $1,065,881 YEARLY BY DIVIDEND CUTS

Mild Winter and Industrial Recession Made Cash Conservation Necessary

Union Gas Company of Canada, in a letter signed by S. A. Morse, president, has just informed shareholders that the directors consider it in the best interests of the company and the shareholders that the dividends due March 10 for the quarter ending February 20 should not be paid. This follows the action taken by United Fuel Investment, Limited, and of its chief subsidiaries, which passed the dividend ordinarily payable January 1 on its preferred stock. Directors at that time stated that low rates for gas were largely responsible for decreased earnings. Coke business showed improvement over 1930 but the decline in the earnings of the gas company offset this.

In the latest announcement Mr. Morse states that the company is experiencing the mildest winter in fifty years. The temperature, he says, is an average of 23 per cent milder than that of the previous winter and 31 per cent milder than normal. These unfavorable weather conditions coupled with the large decline in industrial activity have had an unfavorable effect on the gross revenue of the company just as it has had on the revenues of other public utilities of the same character as Union Gas. The company, therefore, has not been able in 1931 to enjoy the benefits of normal expansion expected from the two new gas markets of Hamilton and London recently acquired. Though the earnings of the company have been affected Mr. Morse says that a substantial surplus on operations for the year will be shown after meeting all operating expenses, interest charges and taxes, and after making an adequate provision for depreciation and amortization.

Entrenching the Company

The policy of consolidating and improving the company's position from the points of view of production, transmission and distribution has been adhered to through the year, he says. A considerable amount has been expended in development work including drilling in existing fields and surveying the possibilities of new fields.

"Such expenditures, in extending the producing properties, firmly entrench the company against competition and ensure sufficient gas to supply for many years the ever expanding market," says Mr. Morse. "Further, the company has well maintained its exceptional facilities for the manufacture of gas in the three strategic points of Hamilton, London and Windsor. In addition to ensuring an adequate gas supply, the company has paid particular attention to its distribution and transmission systems. Large sums are continually being expended upon the maintenance and improvement of these systems, thereby minimizing the chances of service interruption and enabling a more even distribution of pressure to our many customers."

Mr. Morse says it is the intention of the directors to pursue this policy of conserving all liquid assets, including cash resources, in order to provide for a programme of strengthening the position held by the company in the industry.

Some $1,065,881 in Dividends

As the company was paying at the rate of $1 a share, the sum of $705,881 per year will be taken from annual current liabilities so long as the company thinks it necessary to conserve its cash resources for developing expenditures and for possible contingencies ahead. The passing of the dividend on the 6 per cent cumulative preferred stock, outstanding to the extent of $9,000,000, makes available an additional $360,000 annually as that stock had only been paying 4 per cent recently. The stock is entitled to 6 per cent cumulative per annum and that rate was paid up to January 1, 1931, but the 4 per cent rate was paid through 1931, so that at the end of 1931 there would have been arrears of $180,000. Ignoring any accumulation of arrears the dropping of both Union Gas and United Fuel dividends saves temporarily $1,065,881 annually.

Union Gas Co. of Canada has agreed to provide the company with a sum not to exceed $180,000 per annum for a period of two years ending March 31, 1933, which sum would be available for the payment of dividends on the preferred stock.

One of the reasons for conserving cash assets at this time may also be seen by reference to the last balance sheet for the year ending March 31, 1931, where it was stated that though Union Gas had no funded debt the company had special bank loans, awaiting permanent financing, amounting to $6,065,800. There were outstanding at that time also, first mortgage bonds and preferred stocks of subsidiary companies, totalling $13,591,800. As the market for securities has not been favorable for either stocks or bonds for some time, the company will probably follow for the time being the policy of reducing the bank loans as far as possible from earnings.

McColl Share Profits at $1.85 Is Anticipated

From Our Own Correspondent

MONTREAL.—Preliminary figures of McColl-Frontenac Oil Co. are reported as showing earnings of about $1.85 on the common stock for the year ended January 31, 1932. This compares with $1.43 in the fiscal year 1931 and $1.92 in 1930.

It is generally understood that sales of the company in the 12 months ended January 31 last were on a better scale than in previous year, owing to the openness of the winter, which permitted the use of motor vehicles for a longer period than usual.

Figures For 8 Months

During the first eight months of the fiscal year ended September 30, 1931, it was semi-officially stated that net earnings were in excess of 2½ times preferred dividends for the period, even after more liberal allowances for depreciation than in 1930. The last report of the company showed that earnings applicable to the preferred were equal to $14.89 a share, on which dividend of $6 were paid.

Balance sheet position of the company is also reported to have shown an improvement. During the year the balance of the Frontenac Oil Refineries' bonds were brought in.

DOM. ENVELOPE EARNINGS SHOW DROP TO $9,429

Western Company Cuts Bank Loan; Starts on Arrears

Dominion Envelope & Cartons (Western) Ltd., had net profit of $9,429 in 1931, or $2.21 per share on the first preferred stock, as compared with net profit of $34,372 in the previous year which worked out at $8.09 per share on the first preferred. Operating in Western Canada and largely dependent upon the prosperity of the agricultural community the company has experienced a decreased demand. Machinery to the value of $18,662 was added to decrease operating expenses and an offer of purchase was turned down.

Usual dividend of $1.75 per share was paid on the first preferred stock on March 1, 1931, but the three quarterly payments following were passed but on December 31, 1931, a payment of 50 cents per share was paid on account of these arrears. Further payments will be made in 1932 as earnings warrant. Through passing of dividends the company was able to increase surplus account as shown in the following income and surplus account.

PROFIT AND LOSS ACCOUNT
Year Ended Dec. 31

	1931 $
Operating profit	30,484
Other income *	420
	30,904
Less:	
Depreciation	18,976
Life ins. premiums	571
Income tax	1,928
Net profits	9,429
Less:	
1st pref. div. †	7,083
Surplus for year	2,346
Previous surplus	7,001
Add adjust.	2,107
Bal. car. forward	11,454

* Surplus on cash value of life assurance.
† Less dividend reserve as at Dec. 31, 1930, of $2,479.

With total assets of $661,302 at December 31, 1931, current assets are shown at $199,730. Cash amounted to $5,148; accounts receivable, after reserve, to $72,996; and inventory to $121,586, the lowest point since formation of the company. Current liabilities of $90,223 include bank loan of $20,000 which is $30,000 below the 1930 figure. Accounts payable amounted to $47,219; trade bills payable to $20,936; reserve for income tax to $1,143 and accrued expense reserve to $925.

Fixed assets are carried at $455,454 after reserve of $66,016 for depreciation. Included in this total are buildings at $274,798, machinery and equipment at $274,798 and land at $14,610. Patent rights are shown at $611; deferred charges at $4,127 and cash surrender value of life insurance at $1,380. Under liabilities there is a reserve of $3,105 for machinery. There is outstanding 4,250 shares of first preference stock, 620 shares of second preference stock, both with par value of $100 per shade while 36,250 shares of no par value common stock is carried at $67,349 and profit and loss account at $13,626.

January Asbestos Trade Below Last Year's Total

From Our Own Correspondent

MONTREAL.—Asbestos shipments during the past month were on a lower basis than that which prevailed during the same month of 1931 or 1930. Following are the exports of the different grades, together with 1931 comparative figures in brackets: crude No. 1, 7 tons (15); crude No. 2, 16 tons (16); fibre, 2,111 tons (2,527); shorts in bags, 3,017 (3,656); refuse in bulk, no shipments (30 tons).

J. L. E. Price Resigns

J. L. E. Price has resigned as director and vice-president of George A. Fuller Co. of Canada Ltd. as at Jan. 28.

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Crown Trust Company

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Arthur Lyman - - Vice-President
F. G. Daniels - - Vice-President
Irving P. Rexford - Gen. Manager

St. James Street - Montreal

Soldier Land Scheme Has Lost $54,000,000

While Annual Losses Add Half Million Yearly to Total—Another Article on Reasons for Rising Taxes

ITEM EIGHT: THE RECORD OF SOLDIER SETTLEMENT

The Soldier Settlement scheme perhaps was inevitable in the early post-war years when Parliament resounded with cries of: "Nothing is too good for the boys who served in France."

From the point of view both of the returned men and of the taxpayer it would have been better if Parliament had chosen other ways to disburse money, or to contract debt, than the Soldier Settlement scheme. It is difficult to believe legislators of that day could have hit upon any more wasteful or uneconomic idea. Since the scheme was advanced in 1919 not as a sound financial one but as a means to helping veterans, it may seem a little unfair to look back over 13 years of experience in the light of sound business principles. Unfortunately the scheme is a substantial failure from every aspect, even that of helping the veterans, so that the only profit of reviewing it is in proving how chary governments should be of invading the field of private enterprise, or of allowing their emotions to control their reason.

Outline of Soldier Settlement Scheme

The Soldier Settlement Act was passed in 1919, at the height of the post-war boom, when prices of all farm products were at unprecedented levels and land was correspondingly expensive. Those who were to benefit by the scheme were divided into three classes:—

1. Those who were assisted to purchase farm land by the Soldier Settlement Board were entitled to receive up to $5,000 for land; up to $2,000 for livestock and equipment; and up to $1,000 for buildings and permanent improvements.
2. Those who took up Crown or government-owned land, were entitled to receive up to $3,000 for livestock, equipment, and permanent improvements.
3. Those who only asked assistance to re-establish themselves on land they already owned, were entitled to receive up to $3,500 for the removal of incumbrances, the total not to exceed 50 per cent of the appraised value of the land. In addition, this class was entitled to a maximum of $2,000 for livestock and equipment and of $1,000 for buildings and improvements. The total advances to any one settler, in this classification, were limited to $5,000.

Given Twenty-five Years to Pay

The settlers were to pay 10 per cent of the cost of their farms, except in special circumstances (not defined) when no payment was to be required.

Loans for land were to be paid over 25 years in equal annual installments, with interest at five per cent. Livestock and equipment loans were to be repayable in four equal installments, commencing not less than three years from the purchase, with interest at five per cent. Interest payments on all advances were not to commence for two years after purchase.

Upon this basis the scheme got underway. Some 31,000 persons were settled upon the land, of whom 24,491 bought private property through the Board, and 6,900 bought Dominion land from the Crown. The capital investment mounted rapidly to $112,000,000 and a small army of civil servants was required to administer the scheme. There was a headquarters commission with hundreds of employees, with branch offices scattered about the country and an imposing field staff. At one time more than 1,500 persons were employed; today there are more than 500.

These veterans were placed upon the land at a singularly inopportune time. Prices were upon the eve of collapse. The settlers no sooner got well loaded up with high-priced land, stock and equipment than the bottom fell out of the market. To make things worse, quite a few settlers, apparently ignorant of values, were sold land at exhorbitant prices even for those times of inflated values. It was recognized in later years that the founding of the scheme had not been free from malpractise although no member of the Settlement Board ever was involved.

Thus almost before the ink was dry on the thousands of agreements, there arose a demand for a reduction, revaluation, a writing down of settlers' debts to the government. Anything written off, of course, would merely be passed on direct to the taxpayer; the government would be losing just so much money.

Government Takes Steps to Provide Relief

The first relief measure came in 1922 when settlers' indebtedness was consolidated. The various debts they had contracted—interest, taxes, insurance and so on—were taken over by the government and amortized.

This failed to meet the need, so in 1925 Parliament wrote off 40 per cent of the purchase price of all livestock, bought prior to October 1, 1920, and 20 per cent of all livestock bought between October 1, 1920, and October 1, 1921. This revaluation cost the treasury $2,900,000.

Still later there came a general write-down of 30 per cent and a further revision of debt where necessary. These cost the treasury $18,000,000. In addition, the board has encountered straight losses of more than $10,000,000.

Some of the settlers, of course, have kept up with their payments. Thus of the original $112,000,000 invested, $30,000,000 has been repaid. A further $7,600,000 of land has been transferred out of the Soldier Settlement scheme into other state-aided movements, such as the 3,000-family scheme.

Summary of Losses to Date

This leaves $74,000,000, from which must be deducted $32,000,000 for losses, revisions, revaluations and rebates. At the moment, therefore, the government has $40,000,000 odd outstanding in the Soldier Settlement scheme.

After 13 years it may be said the country put up $112,000,000 to place 31,000 veterans on the land.

Between losses and revisions of debt $32,000,000 has been written off the Settlement books and into the public debt.

Another $10,000,000 was required to pay the interest on the investment in the first two years, during which settlers were exempt.

Then there was the administrative cost which so far amounts to a little more than $12,000,000.

Putting these items together it becomes clear the Settlement scheme has cost the country $54,000,000. There is still $40,000,000 at stake, and the administrative cost is now running at a little over $500,000 per year.

Already 40 Per Cent Have Failed

Of the original 31,000 settlers nearly 7,000 took up Crown lands and their purchase of land involved no outlay by the state. Of the rest, 24,491, there are now 11,500 on the Settlement Board books. Another 2,000 have paid off their loans in full. The rest, some 11,000, are referred to as casualties. They failed to stay with farming, either abandoned, or were evicted from, their farms. Thus in addition to dead losses, principal, interest and administrative cost, or $54,000,000, nearly 40 per cent of the soldier settlers failed.

This is the result of 13 years experience in the most pretentious state-financed land settlement scheme in our history. The remaining hazard is $40,000,000 and the administrative cost is $500,000 annually.

In the past year Ottawa has done its best to cut down the losses, to put the Soldier Settlement scheme on a business basis. Administrative costs have been severely reduced, and further reductions are to come.

Force Municipalities Into Insolvency

How it will deal with secondary features of the scheme remains to be seen. The settlement policy has not only failed of itself, but has given rise to other serious problems. So heavy was the settlement in some rural municipalities that large expenditures for roads, schools and other services became necessary. Then, when settlers abandoned their farms, the question of taxation arose. Having taken back the farms, the state refused to concede the right of municipalities to tax this land, and the withdrawal of large areas from municipal tax-rolls forced more than one municipality into insolvency. The crown has recently conceded the right of municipalities to tax revenue where the land is leased or rented, but this affects but a small part of the area concerned.

By and large, the next decade is bound to see the present deficit of $54,000,000 grow materially. Losses, counting administrative cost, will scarcely fall short of $1,000,000 per year. Meantime, the Soldier Settlement Board is nursing 3,000 farms for which purchasers cannot be found. The balance of abandoned farms have been re-sold into private hands. Of the 3,000, it is conceded that more than 2,000 are sub-marginal and will not be resettled for many years to come, if ever.

New Books

"Monetary Leadership"

John F. Darling has been a leader in the campaign for the establishment of an empire currency. His speech delivered in Canada last spring on the subject received wide attention as did his pamphlet issued on the eve of the Imperial Conference of 1930, and in which he suggested a new monetary unit for the Empire to be based on silver and to be called the Rex. Mr. Darling has now reprinted two of his speeches and his former booklet in a small brochure under the title of "Monetary Leadership." The speeches reproduced are the one delivered in Belfast in December last, and the speech delivered in Ottawa in May.

Mr. Darling's argument is familiar to many Canadians. He feels that the crying need of this distracted world is for courageous monetary leadership in restoring values of commodities and securities. He is of the opinion that unless values can be restored the world is headed for general bankruptcy through sheer inability to liquidate debts. He feels that the remonetization of silver would have the effect of not only raising the price of silver, but of lowering the relative value of gold and thus raising the price level generally, bringing equilibrium into the relationship of debtors and creditors.

While a great many people agree with Mr. Darling in part, he has not a wide following for all of his arguments. There is a strong body of opinion that fancy some form of inflation of prices as the way out of depression and another group that favors re-monetization of silver. Still others feel that the pound sterling can be made the basis of the currencies of a large part of the world whether based on gold or not.

On the other hand, the current bulletin of the Federation of British Industries makes a strong case against monetary inflation as the way out. There the matter stands, with the leading economists of the world, ranged on opposite sides of many related battle lines with the average business man somewhat puzzled by it all.

"Monetary Leadership" is published by Ernest Benn Limited, Bouverie House, London, at 2/6 net.

"Queen's Quarterly"

February number of the "Queen's Quarterly" contains a well selected group of authoritative articles on topical subjects.

George Glasgow, editor of the foreign affairs department of Contemporary Review, discusses disarmament and financial recovery and reveals not only the vicious effects on Britain of recent French monetary policy but the disruption of the historic entente cordiale between Britain and France. Dr. O. D. Skelton has a critical commentary on Dafoe's life of Sir Clifford Sifton that might justifiably have been even more critical. There is a discussion of "The St. Lawrence Waterway Project" by J. A. Aiken, who thinks Canada might do some bargaining on the matter and even get back the Alaska Panhandle. Prof. Knox of Queen's writes on "Empire Trade and British Industry" and Prof. Norman Mackenzie, of Toronto, on "Manchuria." There are other interesting articles.

"Depression and the Way Out"

Prof. W. W. Swanson, of the University of Saskatchewan, has made a somewhat unfortunate choice in the title of his newest book which he calls "Depression and the Way Out." He has not attempted to point out a clearly defined road out of depression because he knows he would not be more successful than any other of the many writers who have recently tackled the job. But while one may question of the suitability of the title one can hardly deny the interest and value of the material in the volume which covers quite a range of Canadian economic subjects.

Dr. Swanson is an economist who writes for the public rather than for other economists and as a result his books are always readable and interesting although they may lack the more academic merit of original research and annotation. If any proof of this statement is required it may be pointed out that this book was interesting enough to gain a series of long reviews in one Toronto newspaper; yet it has not even a detailed index.

Dr. Swanson discusses the future of western farming. He is hopeful for the future but rejects most of the quack schemes that have been offered to cure the ills of western agriculture. He is particularly critical of proposals for the wholesale mechanization of the west's grain growing areas. He does not fear the loss of any of our established grain markets. Prof. Swanson suggests some disappointment with wheat pool results but his 1930 book on "Wheat," which was on the whole fulsome in praise of the pool, has robbed him of the independence to speak out freely and his comments are well-hedged.

The chapter on Canadian National Railways is a thesis against recapitalization of the system.

A number of other economic subjects are discussed.

It is a cheery book, neither pious platitudes nor hard boiled economics; rather, a chatty discussion of some Canadian problems on which the author holds no dogmatic views.

"Depression and the Way Out" is published by the Ryerson Press, Toronto, at $2.

U. S. Statistical Abstract

The 53rd edition of the Statistical Abstract of the United States contains some 840 pages and gives latest available figures for practically every important commercial economic and social enterprise in America. These may be grouped under the following 16 heads namely: area and population; education; public lands and parks; army, navy and civil service; finance; money and banking; prices; postal and communication services; electric and other power; transportation; foreign commerce; irrigation and drainage; agriculture; fisheries; forest and forest products; mining and products; manufactures.

This is an excellent reference book for those who need authoritative and well-assembled information concerning the United States. It may be obtained from the Superintendent of Documents, U. S. Government Printing Office, Washington, D.C., or any district office of the U. S. Department of Commerce. Price $1.25.

"Money and Distribution"

This is a little 48-page pamphlet, printed on newsprint and bound in a paper cover, outlining the ideas of the author, C. C. Stuart, of Dundurn, Sask., on money. Mr. Stuart admits that his ideas are in conflict with the theories of money held by economist and business men. His main contention is that money is simply bookkeeping, that currency can not be controlled and that monetary reform schemes are not necessary. Mr. Stuart is offering his booklet at 50 cents.

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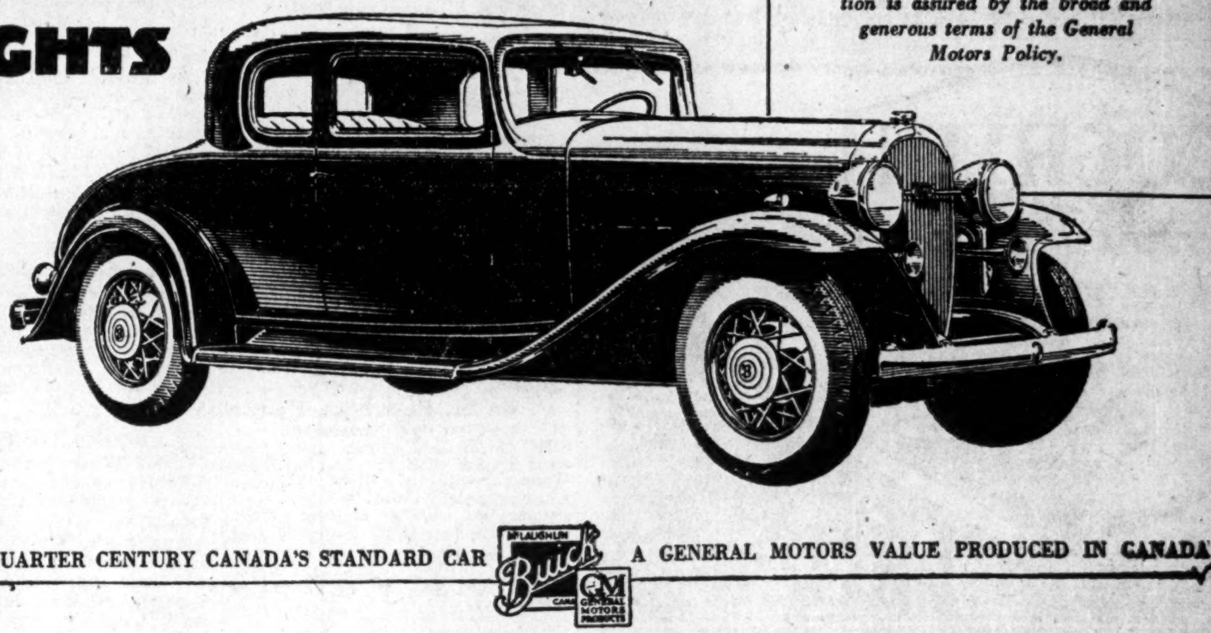

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Utilities and Transportation

QUEBEC CENTRAL SEEKS AUTHORITY FOR BUS SERVICE

Also Wants to Use Trucks Between Sherbrooke and Boundary

From Our Own Correspondent

MONTREAL. — Quebec Central Railway has applied to the Quebec Public Service Commission for the exclusive privilege of operating a daily passenger and freight service by bus and truck, on the government highway between Sherbrooke and Derby Line, Vt. This step is being opposed by the Provincial Transport Co. which claims to have a permit to operate in this territory.

It is the intention to form a subsidiary company, through which the railway could operate. The subsidiary, to be known as the Central Quebec Bus and Truck Service Co., would institute a daily service for passengers and freight over the Sherbrooke-Derby Line highway and run as often each day as may be required. The daily truck service between the two places would include door-to-door delivery and supplement the regular railway service.

Plans Network of Lines

The right is also requested to initiate daily bus service between Sherbrooke and Thetford Mines and between Thetford Mines and Quebec City, as often as may be required, in addition to the regular passenger service and a daily truck service over the same road, including a door to door delivery.

The right to run a branch highway service between Valley Junction and St. George is also requested and, possibly, a line between Tring Junction and Megantic.

Will Guarantee Service

The railway company offers to guarantee continuation of the service to the public throughout the summer months by highway or by railway and, throughout the winter months, by railway, and asks that the Public Service Commission give the entire and complete control of this service to the railway company and, in cases where it may not be possible to do so, to make such regulations as will bar competitive buses and trucks from establishing lower rates than those authorized to be charged by the railway company.

In return for these privileges, the railway company will be required to make a heavy initial capital outlay. It is proposed to commence operations with five passenger buses which will cost about $75,000; ten trucks costing around $40,000; terminals, etc., costing approximately $10,000—a total outlay in the neighborhood of $125,000.

Will Effect Savings

It is anticipated that a saving in passenger and freight service trains operated during the summer months will be equal to 150 miles a day.

A freight truck, it is estimated, will more than pay its operating cost by the fact of the revenue received and the service given, holding to the railway its L. C. L. business which "it is now fast losing." With regard to the bus service, it is not expected that it will, of itself, fully pay the cost but will do so indirectly because there will be an economy in cutting off certain local passenger trains through giving an equal service by the highway.

Further Progress Made With Greenshields Plans

From Our Own Correspondent

MONTREAL.—Plans of the former brokerage firm of Greenshields and Co. to proceed with the reorganization of its business have been ratified by the bankruptcy court. No contestations to the proposal were filed and the way is now clear for the firm to work out the details of its re-entry into business.

In due course, creditors will be given debentures up to the full amount of their proven claims which will bear interest at the rate of 3 per cent. The plan calls for complete payment of all debts by January 31, 1939, with interest at 3 per cent. The debentures will be issued by a realization company which will receive 60 per cent of all net profits of the reorganized brokerage firm.

B. C. Electric Gas Output Records Substantial Growth

From Our Own Correspondent

MONTREAL. — Preliminary estimates of the output of gas by the British Columbia Electric Railway Co., controlled by B. C. Power Corp., for the fiscal year 1931-32, placed the amount at 1,300,000,000 cubic feet. Some idea of the growth of this department may be seen in the fact that the output of the company in 1906 was only 44,000,000 cubic feet.

Between 1926 and 1931 the company's sales of gas for heating purposes increased from 79,650,000 to 235,476,000 cubic feet. Industrial gas sales advanced from 193,827,000 to 235,304,000 cubic feet in the same period, while domestic sales advanced from 457,681,000 to 667,818,000 cubic feet during the same six years.

Montreal Tramway Bill Sanctioned by Legislature

From Our Own Correspondent

MONTREAL.—Permission to operate a permanent service between Montreal and Longueuil and Montreal South, has been granted to Montreal Tramways Co., whose charter has been amended by the Provincial Legislature.

One slight amendment was made. As to the other territories outside the uniform fare zone, it was provided that if fares are considered too high, there may be a reduction in the schedule, but with the understanding that if there is a deficit at the lower level, the territories served—Longueuil and Montreal South—guarantee the deficit.

Quebec Adopts Policy on St. Lawrence Power

From Our Own Correspondent

MONTREAL.—No hydro power contract linked with the St. Lawrence Waterway within the limits of Quebec will be granted by the Provincial Government without the consent of the legislature. This is the policy decided upon by the government at the present sitting of the legislature, as a result of a debate on the St. Lawrence Waterways.

Squid Catch Used for Bait

Squid, valuable for bait purposes, are taken in considerable quantities off various parts of the Dominion's Atlantic coast. In 1930 the catch totalled some 6,570 barrels. Squid, and edible mollusk, is also in favor for food in some oriental countries.

Central Electric Output Lower During Past Year

Slowing Up of Industrial Operations Reflected in Lessened Demand For Electrical Energy in 1931

From Our Own Correspondent

MONTREAL.—Central electric stations recorded an output of 16,383,398 thousands of kw.h. in 1931. This was a decrease of approximately 1,600,000 thousands of kw.h. from the preceding year, but is the fourth largest production ever recorded by the industry.

The remarkable growth of the water power industry in Canada is well illustrated by an examination of production figures ranging over the last seven years. During that time production advanced from 9,846,000 thousands of kw.h. in 1925 to the all-time record level of 17,863,000 thousands of kw.h. in 1930.

Trend is Upward

The record of growth between 1925 and 1931 follows:

	Kw.h.
1925	9,846,000,000
1926	11,182,000,000
1927	14,231,000,000
1928	15,932,000,000
1929	17,633,000,000
1930	17,863,000,000
1931	16,383,398,000

Hydraulic Power Less

Examination of the returns for the past year show that the amount of electrical energy generated by water amounted to 16,071,545 thousands of kw.h., while that generated by fuel amounted to 312,853 thousands of kw.h. In comparison with the returns for 1930, output generated by water shows a decline of roughly 1,500,000 thousands of kw.h., but the output generated by fuel shows an increase of slightly over 10,000 thousands of kw.h.

In breaking down the returns by economic areas, the Dominion Bureau of Statistics shows increased production in the Maritimes, Prairie Provinces and British Columbia over the production recorded in 1930. Quebec and Ontario, the two largest power producing areas, recorded declines, that for Ontario being the more pronounced.

Ontario Decline Pronounced

Probably due to the greater industrialization of Ontario, the slowing up of manufacturing activities in that area has had a very noticeable effect upon the production of central electric stations. The last year the output of electrical energy generated by water in Ontario amounted to 4,752,705 thousands of kw.h., or a decrease in excess of 1,200,000 thousands of kw.h. from the preceding year.

The demand for electrical energy in Quebec would appear to be on a more stabilized basis as production in that area in 1931 amounted to 8,281,508 thousands of kw.h., a decline of less than 600,000 thousands of kw.h. from the previous year.

Distribution by Areas

Particulars of the electrical energy generated by water in central electric stations in the five economic areas for 1931 and 1930 follow:

Generated by Water
(000 Kw.h.)

	1931	1930
Maritimes	577,660	468,517
Quebec	8,281,508	8,837,910
Ontario	4,752,705	5,972,568
Prairies	1,274,882	1,122,215
British Columbia	1,184,290	1,158,761

Fuel Output Greater

There was an increase in the amount of electrical energy generated by fuel last year, production amounting to 312,853 thousands of kw.h., in comparison with 302,758 thousands of kw.h. in 1930.

The Prairie Provinces are credited with a production of electrical energy, generated by fuel, of 185,464 thousands of kw.h. in 1931 as against 211,121 thousands of kw.h. in the preceding year. Other provinces reported an increase in this classification of electrical energy from 91,637 thousands of kw.h. in 1930 to 127,389 thousands of kw.h. in the past year. Comparative figures follow:

Generated by Fuel
(000 Kw.h.)

	1931	1930
Prairies	185,464	211,121
Other	127,389	91,637

The depression in the United States is not without its effect upon the demand for Canadian electrical energy, exports to that country amounting to 1,235,242 thousands of kw.h. in 1931, as compared to 1,619,603 thousands of kw.h. in 1930.

Needs Will Meet Supply Is Forecast by Bureau In Water Power Survey

Demand Will Exist For Plants Now Being Built

INVEST MORE CASH

Require $280,000,000 to Complete Units Now in Process of Completion

From Our Own Correspondent

MONTREAL. — Business conditions led to a somewhat reduced demand for power in 1931. This reduction, however, had little or no effect upon the programme of hydro-electric construction which was maintained without interruption, according to a survey prepared by the Dominion Water Power and Hydrometric Bureau.

In the past the supply of hydro-electric energy, owing to the time necessary to carry an enterprise through to production, has had a tendency to lag behind the demand, and it is, therefore, not unreasonable to believe that if normal business conditions return, the power to be made available by current construction will be speedily absorbed.

Provide Much Work

This activity in construction has been of great value under existing conditions, because it has afforded much employment, not only at the actual site of development, but also in the factories furnishing machinery, and other supplies required in the enterprise.

It is conservatively estimated that the installations actually completed during 1931 resulted in an expenditure for the generation, transmission and distribution of the new power developed of not less than $10,000,000, while an additional $280,000,000 will be required to bring the plant actually under construction to completion.

Work Goes Ahead

As already mentioned, the business contraction of the past year has had little effect upon the development of hydraulic power. The 541,325 h.p. added to the Dominion total during 1931, was comprised in developments located from Nova Scotia to British Columbia. The current trend in distribution through the medium of central electric stations was again emphasized as all but one of the developments were installed for public distribution. The single exception, that of the Powell River Company on Lois River, B.C., produces hydro electricity for use in the company's Powell River mills.

Develop Wider Field

About 98 per cent of the output of Central Electric Stations in Canada is generated from hydraulic installation. The proportion of hydraulic installation available for public use is steadily growing to keep pace with the increase in demand from domestic, commercial and industrial energy. In all three of these fields, new adaptations are increasing the demand. The development of the alternating current radio, electric refrigeration, therapeutic appliances, and general household devices in the domestic field, of improved commercial lighting and advertising in the commercial field, and of electro-chemical and electro-metallurgical processes in industry constantly increase the demand on the central electric stations.

At present there are 328 hydro-electric central stations in Canada, with a total installation of 5,734,491 h.p. Of these totals, 226 stations with an installation of 609 turbines of a combined capacity of 4,241,838 h.p. are owned by commercial organizations, while municipal or other public organizations operate 102 stations which contain 242 turbines aggregating of 1,492,653 h.p.

Over Billion Capital

The capital invested in water power development in Canada inclusive of transmission and distribution systems, is estimated to be more than $1,514,000,000 and of this almost $1,370,000,000 or almost 91 per cent, has been expended on lands, buildings, plants and equipment. This is greater than the capital investment of any other manufacturing industry and is an investment with a most creditable record for safety of principal and stability of earnings.

Despite the rapid growth in the development in recent years, it is estimated that only about 15 per cent of the total available resources are developed. At the beginning of this year, the known available water power in Canada was 20,347,400 h.p. for conditions of ordinary minimum flow and 33,617,200 of h.p. ordinarily available for six months of the year. These figures are considered conservative as analysis of existing installations shows the average machine installation to be 30 per cent greater than the ordinary six months flow power. On this basis, the present recorded water power resources of the Dominion will permit of a turbine installation of about 43,700,000 h.p.

Say N. B. Telephone May Cut Dividend

From Our Own Correspondent

MONTREAL. — Reports from the Maritimes state that a reduction of 2 per cent is expected in the next dividend disbursement on the capital stock of New Brunswick Telephone Co. The last dividend, at the rate of 8 per cent, was paid in January, 1931; the next quarterly payment is due in April.

No figures on earnings have yet been released but it is understood that profits were under those of the previous year. In 1930 net income was equal to 74 cents a share on the 528,573 shares outstanding. Dividends at the rate of 8 per cent, or 80 cents a share on the $10 par value capital stock, were paid in 1930 on an average of 489,410 shares, leaving a deficit of $339 for the year.

Substantial additions to plant have been made in recent years and revenue has shown steady gains. Additional shares have been issued to provide funds for expansion undertaken.

AMAL. ELECTRIC COVERS EXPENSES IN PAST PERIOD

Depreciation and Inventory Write-Offs Result in Deficit

From Our Own Correspondent

MONTREAL. — Net operating revenue of Amalgamated Electric Corp., in 1931, were $12,816 compared with $75,750 in the previous year. No dividends were paid during the period under review but reserve for depreciation and an inventory adjustment of $64,755 resulted in a loss for the year of $94,737. Previous surplus was $13,024 and the company has brought forward a deficit of $81,713 into the current year.

In the previous year earnings had been equal to $1.09 a share on the $1,175,000 shares of 6 per cent $50 par value preferred stock; dividends were suspended on April 1, 1931. W. L. Bayer, president of the company, points out to shareholders that net current assets, taking investments into consideration, are equal to about $28.50 for each share of preferred.

Comparison of Income

Following is a comparison of profit and loss figures for the past two years:

	1931 $	1930 $
Net earn.	12,816	75,750
Deprec.	42,797	47,991
Balance	‡29,981	27,759
Adjust.	†64,755	*1,071
Balance	‡94,737	28,830
Inc. tax	......	2,100
Balance	‡94,737	26,730
Pfd. div.	......	70,500
Surplus	‡94,737	‡43,770
Prev. bal.	13,024	56,794
P. and L. bal.	‡81,713	13,024

†Inventory adjustment.
*From previous period.
‡Deficit.

Investments Show Increase

A feature of the balance sheet is the gain in the company's investments. These are carried at $75,386 (market value, $69,352) and compare with $486 in the previous year. Inventories have been written down from $590,422 to $462,934 which figure includes a reserve for obsolescence.

Working capital shows a decline of $161,377 at $601,984. Current assets are lower by $127,000 at $680.945 and current liabilities are up $34,000 at $78,961. Ratio between current assets and liabilities is 8.6 to 1 against 17.9 to 1 at the end of 1930.

Bank Loans Appear

Cash is down $12,000 at $121,261 and accounts receivable are higher by $11,000 at $94,927. Deferred charges show an increase, totalling $19,905 as opposed to $5,144. Fixed assets, less depreciation reserve, are lower by $24,000 at $720,572.

In liabilities, bank loans of $30,000 make their first appearance. Accounts payable have increased by $21,000 to $48,961.

In his remarks to shareholders, the president says in part:

"Strict economies were put into effect throughout the entire organization and operating costs were carefully watched. Your company has obtained a fair proportion of the business available in its line, although the volume was insufficient to show satisfactory financial results for the year. These results do not, however, necessarily reflect the earning power of your company in normal operating years.

"The organization is now composed of a thoroughly competent personnel, your plants are all in good physical condition and your company has ample working capital at its disposal. This combination should enable the company to show satisfactory results when business improves."

Yield—6.50%
Term—5 Years
Security—

The Shawinigan Water and Power Company

The 6% Secured Notes of The Shawinigan Water and Power Company due February 1st, 1937 provide an attractive short term investment with substantial return.

Secured by the pledge of First Mortgage and Collateral Trust Bonds of the Company, these notes possess sound security and are protected by the stable earning power of one of Canada's outstanding public utilities.

Price: 97.75 and interest, yielding 6½%
(Plus Transfer Tax)

Wood, Gundy & Company
Limited
36 King Street West
Toronto
Telephone
ELgin 4321

NATIONAL LIGHT EARNS INTEREST 2.2 TIMES IN 1931

Electrical Output Was 1.9 p.c. Under 1930; 19 p.c. Over 1929

National Light & Power Co. completed its first full calendar year as a privately owned company on December 31, 1931, with first mortgage bond interest earned 2.22 times before depreciation and 1.98 times after depreciation. Operating the electric light and power system of Moose Jaw, Sask., the company had a station output of 22,704,301 kw.h. which was only 1.9 per cent below that of the previous 12 months and was over 19 per cent above output in 1929 when the plant was operating under public ownership. Fiscal year of the company will end on May 31.

Comparative figures of earnings are not available since ownership of the utility was acquired in May, 1930, but during 1931 gross earnings totalled $544.215; operating expenses were $252,935 and taxes $27,148. Miscellaneous earnings and net income from merchandise sales amounted to $2,180 bringing the income available for first mortgage interest to $266,322, before depreciation. This compares with interest requirements of $120,000 on the $2,000,000 of 6 per cent first mortgage bonds outstanding. Other interest charges amounted to $28,407 and amortization of discount and expenses was $9,840.

December operations resulted in some decrease in gross earnings from the electrical department and recorded revenue of $2.835 from the heating department. Loss in gross earnings for the month was more than made up by decrease in operating expenses which permitted net earnings for December of $27,810, an increase over previous months. The company is controlled by Iowa Southern Utilities Co. and no official balance sheet has as yet been issued.

Summarize January Bond Issues

January's bond issues in Canada amounted to $45,852,086, according to the weekly summary of A. E. Ames & Co. Two thirds of the total amount, or $30,212,000, represented government issues and the remainder, $15,640,986 municipal.

QUEBEC THEATRES SEE MODIFICATION OF NEW TAX PLAN

Original Proposal Scaled down to 12½% of Admission

From Our Own Correspondent

MONTREAL.—The new amusement tax in Quebec, fixed at 12½ per cent compared with the existing 10 per cent of the price of admission, has been adopted at its third reading in the Quebec Legislature. Chains of smaller theatres find some satisfaction in the new tax since it represents a wide modification of the original plan.

United Amusement Corp. operating 19 motion picture houses and Confederated Amusement, Ltd., with a chain of 6 theatres were particularly concerned with the first proposal while a few houses of Famous Players Canadian Corp. would also have been affected.

Planned Heavy Impost

When the tax was first proposed it was planned to impose a straight 5 per cent tax on tickets selling under 25 cents and an additional 5 cents for every quarter of a dollar. This represented a sharp increase compared with the old 10 per cent tax, and was claimed by the smaller theatres to be a serious threat to their revenues. It was pointed out that existing patronage was only made possible by low admission prices and the new tax would necessitate raising admission prices with a resultant decline in patronage.

With the present amended form of 12½ per cent it is understood that the theatres will absorb the tax rise and thus leave the prices of admission unchanged. In discussion of the bill it was stated that theatre tax revenues were down some $400.000.

Both United Amusement Corp. and Confederated Amusements cater to the suburban public and their admission prices range from 10 cents to 40 cents. Famous Players Canadian Corp. owns or is affiliated with 6 motion picture houses in Quebec; most of which are in the higher priced category. The company, however, has a substantial stake in United Amusement Corp.

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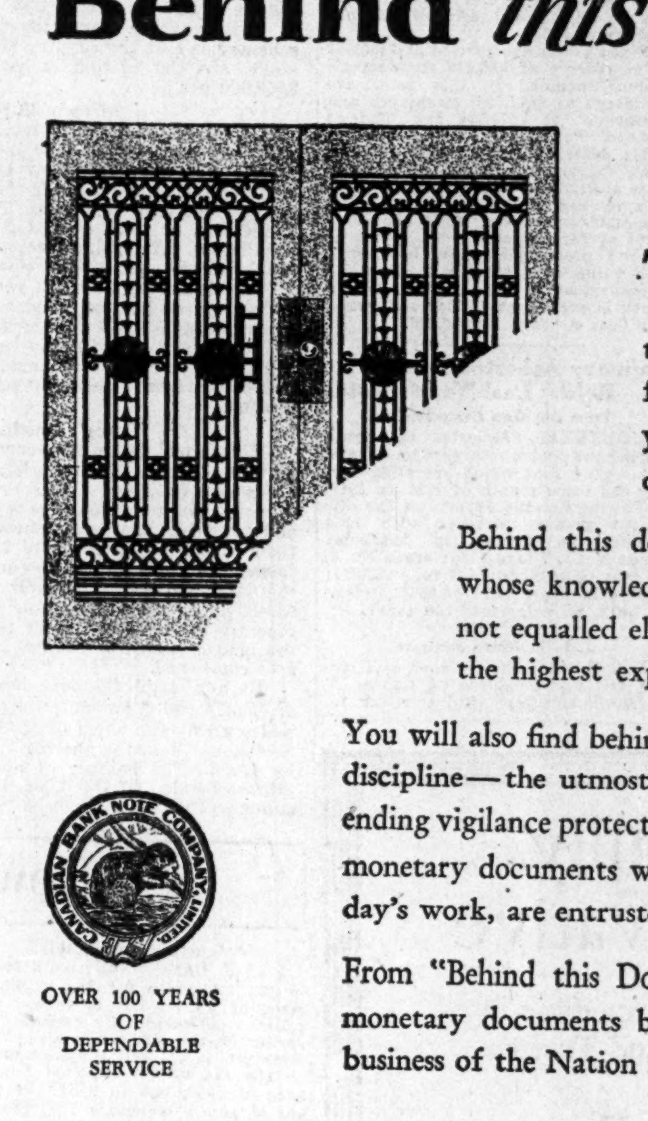
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CANADIAN BANK NOTE COMPANY
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News of Investment Markets

NEW FINANCING REQUIRES CARE; B. C. ISSUE NEXT

Successful Placement Internally Aids Canada's Credit

SUCCESS TO DATE

Canadian Taxing Bodies Are in Relatively Sound Position; Defaults Few

With no definite indication of any immediate improvement in bond prices and with a substantial volume of provincial and municipal financing to be undertaken during the next few months financial houses are proceeding carefully in bringing out new bond issues despite the successful placing of loans for Ontario, Montreal and New Brunswick on a payable Canada only basis. It is generally felt that failure of the market to absorb even one issue might react adversely on financing to follow whereas each loan successfully placed will benefit, in some degree, those to follow.

Delay in offering the Toronto's has given an opportunity of bringing out an issue of $5,000,000 British Columbia 6's due February 15. 1937, on a 6½ per cent yield basis. Preliminary canvas of the attitude toward this issue indicated that fair demand might be expected from small investors in the east and demand should be good in British Columbia.

The Roman Catholic School Commission of Montreal is also expected to be in the market shortly with an issue of some $4,550,000 five-year bonds. These bonds are expected to have a coupon rate of 6 per cent and to be offered near par. Originally the issue was planned with a 40-year maturity but this was reduced because of the possibility of being able to refinance during the next five years on a considerably lower cost basis.

Shawinigan Notes

Sale of the $6,000,000 of Shawinigan five year 6 per cent notes offered on February 11 to yield 6½ per cent is understood to be progressing slowly but surely with over half of the issue sold. The first public utility issue to be offered for many months is naturally of interest and pending the successful placement of this issue other corporations may enter the market with short term financing. Canada has not, for some years, been solely dependent upon internal financing and progress made to date is regarded as very encouraging. If it is proven that the country has the ability and the resources to meet local needs credit of Canadian borrowers will be still further strengthened in the United States and abroad.

The current situation in Canada with many borrowers awaiting an opportunity of entering the market for funds is by no means peculiar to this country alone. The situation in the United States is even more acute with a number of the larger cities either unable to borrow under any terms or else at rates that are not any better than those being secured by Canadian cities. Because of their inability to raise money through sale of bonds many taxing bodies in the United States are facing technical default with the possibility that bonds of such municipalities will not be legal for savings bank and trust fund investments.

Canadian Position Sound

The same situation does not exist in Canada and does not appear threatening. There have been but few defaults by cities or towns of any consequence although there have been a considerable number of defaults by small taxing bodies in Western Canada such as school districts and rural telephones. The situation is by no means as severe as in 1923.

Legislative action is expected in several of the provinces during the next month to strengthen still further provincial jurisdiction of municipal finances. Quebec has already introduced a bill which provides for a committee of two members who will serve for ten years and who will not only scrutinize new financing but which will take action in case of any default. Amendments to the Municipal Act in Ontario will be proposed within the next two or three weeks although since the act will come up for complete revision within a year or so no drastic amendments will be proposed during this session. The Ontario Railway and Municipal Board wil be strengthened and given further jurisdiction over municipalities during the present session it is anticipated.

Asks Receivership Great Lakes Paper

Judgment has been reserved on an application for a receiving order against Great Lakes Paper Co. The petition was brought by Inland Coal & Dock Co. which claims $253,000 for coal supplied and which company is an unsecured creditor. F. R. McKelcan, acting for National Trust Co., trustee for the bondholders, stated that owing to lack of certain customary provisions affecting the bondholders any re-organization scheme would have to be worked out under the Winding-Up Act.

It was stated that if Great Lakes Paper Co. was placed in receivership, the receiver for Minnesota & Ontario Paper Co. would take the position that the latter company was freed from certain tonnage contracts with Great Lakes Paper Co.

DOM. WOOLLENS STILL HAMPERED BY IMPORTATIONS

Plants Fairly Active But Prices Remain at Low Level

From Our Own Correspondent

MONTREAL.—Operations of Dominion Woollens and Worsteds, Ltd., are still hampered by strong competition encountered from imported goods. Despite the fixed valuation of the pound sterling and application of dumping duties, shipments from abroad continue to sell at levels with which the company finds it difficult to compete.

Plants of Dominion Woollens, however, have been kept fairly active but the difficulty of obtaining a satisfactory price for output is the chief factor which the company has to contend with. This found reflection in operations in the fiscal year ended June 30, 1931, when sales were down 30 per cent in value from those of the previous year. The reduction, it was stated, was mainly due to lower prices though reduced demand for yarns and knitted goods played a certain part in the decline.

Inventories Cut Down

A tendency toward firmer wool values, however, will work in favor of Dominion Woollens this year. The rapid and continued shrinkage in values of this commodity made substantial inroads into profits in the past two years; at the end of the last fiscal period it was necessary to write down inventories by $301,147 to bring them into line with values at that time. A further sum of $190,526 was written off on account of loss sustained through obsolescence of lines of materials and merchandise, inventoried at cost on June 30, 1930, that had gone out of fashion or had suffered depreciation from various other causes.

The net result of operations in the year ended June 30, 1931, therefore was entirely submerged by these losses. Net earnings were $112,277 but payment of bond interest and provision for adjustments resulted in a deficit of $577,851 for the year. No allowance was made for depreciation.

Sell Stocks This Year

However, inventories at the end of the year were $535,846 lower than a year previous and down $1,100,000 from values of the year before that and it was stated in the last annual report that the management believed that these stocks on hand could be turned over at a reasonable profit during the current year.

Administration, general and selling expenses have been sharply reduced which are expected to lead to substantial savings this year. The management has budgeted to provide bond interest and depreciation and some margin applicable to the preferred for the period ended June 30, 1932; it is as yet too early to forecast what success will be attained in this objective.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Cascade Water Power	4½%	1940	†May 1	100
Mt. Royal Tunnel & Term.	*5%	1970	Apr. 15	100
Toronto Conser. of Music	x5%	....	Mar. 1	103

*Called in part.
†Or before.
x$5,000.

SHAWINIGAN PUTS $6,000,000 NOTES ON BOND MARKET

Will Use Proceeds to Complete Rapide Blanc Unit

From Our Own Correspondent

MONTREAL.—Further financing in connection with its new hydro-electric power development at Rapide Blanc on the Upper St. Maurice River, is being carried out by the Shawinigan Water and Power Co. in the form of $6,000,000 5-year, 6 per cent secured notes. The public offering is being handled by a large syndicate head by Aldred & Co. and Wood, Gundy & Co.

This is the first building financing carried out by Shawinigan since October, 1930, when $20,000,000 of the series "D" bonds were placed on the market. Of that amount, $7,851,000 were used to retire the bonds of the Laurentide Power Co. and the balance used for development work, including the new Rapide Blanc plant.

Pay Canadian Funds

One of the features of this issue, which is the first large industrial financing undertaken since Britain went off the gold standard, is that principal and interest is payable only in lawful money of Canada.

The other issues placed on the market by Shawinigan have all had their principal and interest payable in New York funds or in London in pounds sterling at the fixed rate of $4.86 2/3 to the pound.

Particulars of the issue follows:

$6,000,000
Shawinigan Water and Power Co.
5-year, 6 per cent, secured notes

Dated: Feb. 1, 1932. Due: Feb. 1, 1937.

Capitalization:	Outstanding
(upon completion of present financing)	
1st mtge. & coll. trust s. f. gold bonds (auth. $200,000,000)	*$84,344,000
5-yr. 6% secured notes (this issue)	$6,000,000
Cap. stk., one class, n.p.v....	2,178,250 sh.

*This figure does not include $15,000,000 of bonds issued against capital expenditures heretofore made, and held in the company's treasury, $8,000,000 of which are to be pledged with the trustee as security for this issue.

Business: One of the largest producers of hydro-electric power in the world. The company owns or controls 858,750 developed h.p. and has 160,000 h.p. in course of development. Also has extensive transmission and distribution lines.

Security: Secured by $8,000,000 principal amount of the company's first mortgage and collateral trust sinking fund bonds, series "E," 5 per cent, due Feb. 1, 1972.

Earnings: Net earnings for the 12 months ended Dec. 31, 1931, were $8,660,118 or more than twice the annual interest on all bonds and notes outstanding.

Purpose of Issue: Proceeds will be used in connection with the new hydro-electric power development at Rapide Blanc.

Offered: Aldred and Co. Ltd., Wood, Gundy and Co. Ltd., and syndicate at 97¾ and accrued interest, yielding over 6½ per cent.

DAVID ET FRERE PASS DIVIDENDS CLASS "A" STOCK

Action Forecast by Operating Results in 1931

From Our Own Correspondent

MONTREAL.—Dividends on the class "A" shares of David et Frère, Ltd., biscuit manufacturers, have been passed, an occurrence which was forecast in the financial statement of the company covering operations in 1931. Payments on this class of stock were originally made at the rate of $2.25 annually but this was cut to a basis of $1 a share in September, 1931.

Income account for last year showed an operating loss of $13,157 which was increased by depreciation and dividend disbursements to $80,792. A surplus of $71,001 was brought forward into the current year. Working capital was sharply reduced and bank loans of $30,000 made their appearance for the first time in the balance sheet.

Affected by Low Prices

The sharp reverse with which David et Frère met last year was due in part to unsatisfactory prices which obtained for its products during part of 1931. Price cutting was much in evidence in the earlier part of the year and losses from this source were substantial. Biscuit manufacturers in Quebec, however, have made efforts to stabilize the market with the result that some improvement was witnessed in David et Frère's affairs in the last few months.

Appointed Mersey Director
From Our Own Correspondent

MONTREAL—Peter R. Jack, formerly chairman of the Halifax Harbour Commissioners, has been appointed a director of the Mersey Paper Co., according to an announcement made by president C. H. L. Jones.

RELIANCE DEAL GIVES CONTROL TO PREFERRED

New Proposal Calls For Purchase of Management Company

RETIRE "B" STOCK

Preferred Had Liquidating Value of $34.93 on Jan. 31; Directors Remain

A proposal whereby preferred shareholders of Reliance International Corp. will practically take control of the company as well as control of Reliance Management Corp. has been ratified by directors of both corporations. The plan follows closely on the failure of negotiations whereby American International Corp. would have taken over control of Reliance International Corp. and, by purchase of the management contract from Reliance Management Corp., would have put further and necessary security behind the debentures of the latter company. The offer made by American International Corp. was refused, due in large part to Canadian security dealers who had placed some $1,500,000 of the trust's securities in Canada.

Under the present proposal, Reliance International Corp. will obtain control of Reliance Management Corp. through purchase of some 221,000 shares of the latter company at $1.20 per share. This stock will be sold back to shareholders of the management company at the price paid providing several important conditions are met including amendment of the present management contract which will reduce compensation to a market value basis rather than a cost basis. The contract will be made non-assignable and terminable after September, 1932, by a majority vote of preferred and class A shareholders of Reliance International Corp. voting by classes.

Take in "B" Shares

The terms also include an exchange of Reliance International Corp. class B. stock for Class A stock of the same company on a basis of one class A share for some seven shares of class B stock or such ratio as will give shareholders the same share of profit as is now obtained. Provision is being made to prevent dissenting class B shareholders from retaining more than present proportionate share of profits. Class B stock is held largely by directors of the company and the management company.

Reliance International Corp. will offer its class A stock in exchange for common stock of the management company on the basis of one share of class A stock for 1½ shares of management common. This offer will remain open for three months.

Preferred shareholders of Reliance International Corp. will have the right to elect a majority of the directors. Stated value of the no par value preferred stock is to be reduced to $25 per share without reducing the liquidating value or other preferences and so enable earlier payment of dividends. The plan, however, does not contemplate either change in directorate or management, although it provides for a change in voting control of the company.

Liquidating Value $34.93

At January 31, 1932, the cost of securities held by Reliance International Corp. amounted to $11,715,092 while market value at that date was $4,987,389. Depreciation therefore amounted to $6,727,703. Liquidating values of the $3 cumulative convertible no par value preferred shares was $33.48 at December 31, 1931, and $34.93 at January 31, 1932, while class A shares had no liquidating value, at either date.

Present capitalization of Reliance International Corp. consists of some 186.883 shares of no par value preferred stock which are given a value for purposes of the balance sheet of $50 per share. This stock is entitled to cumulative dividends to the extent of $3 per year and is convertible, share for share, into class A common stock. Following the preferred stock there are some 385,000 shares of class A common stock and 660,000 shares of class B common, both classes of common having no par value. Under the present proposals, the class B stock would be exchanged for class A stock.

Reliance Management Corp. has a funded debt of some $1,841,000 and 220,210 shares of no par value common stock. Included in the holdings of the management company are 330,000 class B shares of Reliance International Corp.

Montreal School Board Bond Issue Due Shortly

From Our Own Correspondent

MONTREAL.—A syndicate headed by the Banque Canadienne Nationale is expected to offer shortly to the public a $4,500,000 loan of the Montreal Catholic School Board. Proceeds of this loan will be used to take care of new building undertaken by the commission during the past and present years. Several new schools were erected in 1930 and continuous developments of distant wards and municipalities, will necessitate the construction and extension of several schools during the present year.

Bond Tenders

12 o'clock, Feb. 20, County of Peel—$65,000, 6 per cent 15-installment bridge debentures; $57,000 6 per cent 15 installment highways debentures. David Wilson, county clerk, Brampton. (See announcement on page 10).

6 o'clock, Feb. 29, Village of Saindon, Que. $19,800, 5½ per cent bonds dated Feb. 1, 1932, redeemable serially from Feb. 1, 1933 to Feb. 1, 1952, payable at Banque Provinciale at Sayabec, County of Matepedia, Quebec or Montreal. J. A. Ross, sec.-treas.

Public Utility Earnings

Southern Canada Power

January:	1932	1931	Decrease
Gross earn.	197,960	212,593	14,633
Oper. expenses ..	66,886	81,938	15,052
Net earnings ...	131,074	130,655	*419
4 Months:	1932	1931	Decrease
Gross earn.	798,532	832,978	34,440
Oper. exp.	289,365	312,640	23,270
Net earn.	509,167	520,338	11,170

*Increase.

PREMIUM INCOME OF INDEMNITY CO. TOTALLED $808,000

Company Retired Largely From Hail Field During 1931

Net premium income of $807,870 as compared with $913,193 a year ago was reported by Canadian Indemnity Co., of Winnipeg, in its 20th annual report published last week. Both casualty and fire departments showed an increase in premiums, the decline in the total figure being due to the virtual elimination of income from hail insurance. A year ago the company had total hail premiums of $244,166 and in 1929, $804,488, but this year only $14,852 was written. Poor crops and low prices practically eliminated this class of insurance in Manitoba and Saskatchewan, it is pointed out, while due to unsatisfactory experience in Alberta, the company withdrew entirely from that field last year.

Loss ratios in the casualty and fire departments are somewhat higher than last year. The casualty department with premium income of $583,500 reported a ratio of 45.7 per cent as against 42 per cent a year ago and the fire department a ratio of 58.3 as compared with 56.6 in 1930. Casualty premiums were higher by $209,617 and fire premium up $10,552. Expense ratios before government license fees and taxes was 47.5 per cent of net premiums written while total expense ratio was 49.5 per cent. Loss ratio on hail risks was only 211 per cent.

New Reinsurance Treaty

The company draws attention in its annual report to new fire reinsurance agreements, which were entered into July 1, 1931, to provide protection against excess individual and conflagration losses in place of specific reinsurance of surplus lines. This plan enables the company to retain a larger amount of premiums written on desirable business. A similar arrangement by the Canadian Fire Insurance Co., it is said, necessitated the termination of the reinsurance treaty between the two companies.

Analysis of revenue and expenditure account for 1931 reveals that total premium income fell short by $26,206 of total expenditures. In addition the company paid dividends at the rate of 6 per cent on its capital stock, set aside a special reserve of $26,500 for depreciation in value of securities and had a surplus at the end of the year of $186,882 as compared with $226,740 at the end of 1930.

Assets Increase

Total assets amount to $1,333,915 as against $1,252,395 a year ago, of which $843,665 is represented by bonds, debentures and stocks; $128,349 by cash on hand or in banks; $106,000 in guaranteed investments (first mortgage collateral); $101,684 in funds on deposit with reinsured companies as reserve for unearned premiums and $100,945 as net balance due agents. First mortgages on real estate are shown at $21,951 as compared with a year ago.

The company held its annual meeting on February 9, at its head office at Winnipeg.

UNION TRUST CO. REPORTS EARNINGS $7.35 PER SHARE

Assets Show Increase and Now Total Over $18,000,000

Earnings of $7.35 per share as compared with $11.01 in 1930 are reported by Union Trust Co. of Toronto in its 31st annual report published last week. The company paid its usual dividend of $7 per share but omitted the $1 bonus which has been paid since 1928.

Total assets are higher at $18,119,216 as compared with $17,822,121 a year ago, the gain being the result of an increase in investments held in estates, trusts and agencies account. Capital account is slightly lower at $1,801,200 while guaranteed trust account is lower at $3,840,673.

Among capital assets the company shows $1,041,541 of mortgages on which interest due totals $62,608. Real estate held for sale is $252,093 as compared with $159,491 a year ago. Bonds held in capital account are valued at $157,126 and stocks at $133,134. Liabilities under this head are unchanged except that a $150,000 bank loan has disappeared and the company has set up $200,000 as a special reserve against mortgages and agreements in Western Canada, where interest payments have been delayed by crop and price conditions This amount has been transferred from ordinary reserve fund.

In guaranteed trust account, mortgages to a total of $3,249,763 are held, the interest due and accrued against these being lower than a year ago at $126,000. Holdings of Canadian municipal bonds are about $100,000 higher at $139,916. Trust funds held by the company for investment show only a small decrease at $2,306,648, while savings deposits, in spite of heavy depositors' withdrawals in respect of the National Service Loan, show an increase of $40,000 to $1,457,734.

At the company's annual meeting, J. Homer Black and M. L. Davies were appointed to the company's board of directors.

Details of the company's profit and loss statement for 1931 are as follows:

Profit and Loss Account, Years Ended Dec. 31

	1931 $	1930 $
Net earnings*	87,945	124,221
Less: Taxes	13,820	12,970
Deprec. on equip. .	600	1,200
Net profits	73,525	110,051
Less: Dividends	70,000	70,000
Bonus	....	10,000
Surplus for year	3,525	30,051
Add: Prev. surplus ..	52,457	122,406
Less: Special res.† ..	....	100,000
Bal. carried forward .	55,982	52,457

†Set aside for possible loss on western farm mortgages.

*After all management costs, directors' fees, etc.

Earnings Per Share and Dividend Record:

Earned	$7.35	$11.01
Paid	7.00	7.00+$1

CAN. COTTONS FEELS EFFECTS OF U. S. EXCHANGE

Increased Cost of Raw Cotton Confronts All Manufacturers

From Our Own Correspondent

MONTREAL.—Plants of Canadian Cottons are operating around 70 per cent of capacity with a slightly better demand for output; prices, however, are still at a level which allows a negligible margin of profit.

A factor which this company, together with all cotton manufacturers, has to contend with is the premium on U. S. exchange in connection with purchases of raw cotton. The greater part of buying takes place in the fall up to December and effects of the high rate of exchange will find reflection in the cost of manufactured articles during the current fiscal year.

No Increase in Prices

British manufacturers have not increased their prices of cloth despite the additional burden which is placed on them in their raw cotton purchases so that competition from this source is keener than ever.

Indications for any appreciable improvement in earnings of Canadian Cottons in the fiscal year which ends March 31, 1932, are not apparent. In the previous year total net earnings, which included interest on investments, were $268,636, which was sufficient to cover bond interest requirements and leave a margin equal to $2.87 a share on the preferred. Dividends on this stock have been maintained regularly though they have not been earned since 1929; a surplus, however, of $2,114,480 was brought forward into the current year.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1931 $	Net income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr: divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Chartered Trust	Dec. 31	73,090	78,211	7.31	7.82	6	2,252	5,633	...	...	...
Dom. Envelope & Cartons	Dec. 31	9,429	.....	...	...	..	11,454	.....	...	...	...
Real Estate Loan	Dec. 31	38,802	44,423	7.76	8.88	7	4,570	4,449	105	...	6.7
East. Canada Savings	Dec. 31	99,295	86,000	13.23	11.46	8	903	608	...	...	...
Acadia Trust	Nov. 30	55,619	48,325	27.80	24.16	10	50,298	114,680	...	...	...
Montreal Loan & Mtge.	Dec. 31	88,109	87,993	3.67	3.67	3+.25	45,737	35,628	48	...	6.8
Sherbrooke Trust	Sept. 30	27,565	34,763	9.18	11.58	6	29,855	21,002	...	...	...
British Mortgage & Trust	Dec. 31	138,356	149,668	13.83	19.12	12	13,157	43,707	...	...	...
Industrial Mtge. & Trust	Dec. 31	58,271	69,901	9.15	11.00	9	1,613	492	...	...	...
Grey & Bruce Trust	Dec. 31	38,585	40,850	7.09	7.50	6	.....	.....	...	...	...
Union Trust	Dec. 31	73,525	110,051	7.35	11.01	7	55,982	52,457	100½	...	7.0
Sterling Trusts	Dec. 31	50,812	53,930	6.4	6.9	6	3,709	10,240	...	...	...
Monarch Knitting	Dec. 31	15,884	*94,613	...	...	..	514,197	498,313	...	...	...
Riverside Silk	Dec. 31	55,085	54,079	†1.83	†1.80	†2	463,003	468,664	†10	5.5	20
Canada Bud Breweries Ltd.	Dec. 31	235,186	.....	1.56	...	1	140,199	57,169	8	5.1	12.5
Woods Mfg. Co.	Dec. 31	*171,268	*153,558	...	...	..	‡290,591	71,859	...	...	...
Wright-Hargreaves Mines Ltd.	Dec. 31	1,182,437	789,489	0.21	0.14	15	1,671,084	1,323,211	2.78	13.2	5.4
Standard Steel Construction Co. ..	Dec. 31	38,879	89,963	0.08	0.51	..	301,032	314,115	2¾	...	...
Conduits Co.	Dec. 31	*§9,665	††	...	††	..	27,454	38,174	...	...	...

*Loss. †Class "A" stock. ‡After transfer of $300,000 from rest acct. §14 months period. ††Not available.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Victoria, County of Ont.	Feb.	Direct	5%	....	$30,000	100	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	—Offered by—	Rate	Due	Amount	Offered	Yield
Shawinigan Water & Pwr.	Feb.	Wood, Gundy & Co., and syndicate	6%	1937	$6,000,000	97¾	6½%

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Never has any automobile won a stronger owner allegiance than the Auburn Straight Eights. Every claim we make for these cars is more than verified by the exceptionally satisfactory experience of owners. Auburn has sought for every possible way to improve these cars—we have simply poured quality into them — strengthened — refined — and added many important improvements. Again, Auburn's Straight Eights offer bigger value for less cost than any other car on the market. 100 H.P. motor. L. G. S. Free Wheeling. Silent-Constant Mesh Transmission. Startix. 127-inch wheelbase. Twist-proof X-frame. Bijur automatic chassis lubrication. Easier steering. Improved 4-wheel brakes. Adjustable hydraulic shock absorbers. More enduring body construction. Bodies fully insulated.

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TORONTO, FEB. 20, 1932

UNEMPLOYMENT WORK COMES TO AN END

THE end of expenditures on public works, designed ostensibly for unemployment relief has been advocated by The Post for some months and is now clearly foreshadowed by Premier Taschereau of Quebec. In a statement to the legislature, Mr. Taschereau not only announced that Quebec was through spending millions on public works, but that Ottawa, also, had no intention of renewing the policy.

He said: "We of the province of Quebec have said that we are at an end of our resources for the undertaking of works of this kind. And we know that such is the position at Ottawa."

The net result of two years of forced expenditure on unnecessary public works is that some $130,000,000 has been added to the dead weight of the Dominion, the provinces, and the municipalities, and that some 30,000 individuals have received steady work for two years. Not a few municipalities have been just about bankrupted, and the credit both of the provinces and the Dominion has been severely strained.

CASE OF PAGE-HERSEY

HOW far astray some brokers have wandered from a true conception of the public duty of stock exchanges to be a real market place for the buying and selling of securities is made evident by the fact that it is even being argued that the decline in market valuation of Page-Hersey common stock during the first fortnight of February proves that the policy of maintaining minimum prices on many important stocks is the correct one. In effect it is said, "Here is a company whose net profits in 1931 were about half of what they were in 1930; yet the company has advanced in financial strength during this adverse year and has earned dividends with a good margin. Why should it be allowed to drop in price below what competent judges believe is a reasonable minimum value?"

If those competent judges are willing to buy all Page-Hersey stock that is offered at what they consider a reasonable minimum value, no other protection is necessary. But if they will not do so, why should investors who bought this stock because it was a good marketable stock be prevented from getting the actual money which buyers are willing to pay even if it is below an arbitrary "minimum reasonable valuation." If the banks are willing to lend money to carry large speculative accounts in Page-Hersey at the minimum valuation, that is indeed a strong argument that the minimums established have a reasonable foundation but a stronger argument still for the contention that minimums in such cases are unnecessary.

Those who have lost through the decline in Page-Hersey stock have more reason to feel nettled that minimum prices, below which trading will not be permitted, still obtain on a number of important stocks than that the minimum price was abandoned on Page-Hersey at the end of 1931. It is claimed that the necessity of getting cash to protect some large speculative accounts which include some of the most important stocks in Canada led to greater sales of Page-Hersey than would have been the case if there had been no minimums. The necessary liquidation could in a free market have been spread over a larger number of marketable stocks with less effect on particular stocks.

By the policy of minimum prices the Montreal Stock Exchange, especially, has arbitrarily turned what are ordinarily some of the most marketable of Canadian stocks into frozen assets. The establishment of a free market would melt them into liquid shape. The policy was justified for a few days at the time that the world was stunned by the decision of the British Government to go off the gold standard, but a free market established a few days later would have saved even the speculative accounts it was desired to protect a great deal of money. Holders in many cases could have sold in the last months of 1931 at better prices than are obtainable now.

It is sometimes, and, generally, the kindest service to a client who cannot put up margin on a declining market to sell him out summarily. Such a proceeding would repeatedly have saved much greater losses to speculators in the last two years.

REDUCED SALARIES FOR CIVIL SERVANTS

THROUGH the ten per cent reduction in Dominion civil service salaries those who conduct the nation's business will be asked to bear a substantial share of the burden of the deflation that has already fallen heavily on all other classes of producers and employees. The reduction was inevitable; civil servants were the last to feel the brunt of depression. To many in the civil service the reduction will be of serious import. Generally, civil service salaries do not follow private business salaries upward and this is particularly true of technical and specialized services. A straight ten per cent cut all around does not take due cognizance of the fact that in the civil service that there are many underpaid officials. The cut, while it does not establish new inequalities in civil service salaries, does at least perpetuate those that exist. It is subject to criticism on further grounds; it gives no assurance of any reduction in the personnel of staff-logged departments and it provides no assurance of greater efficiency where it is required.

The annual saving of $8,000,000 that is estimated will be a not inconsiderable item in reducing the costs of government, leading to a balanced budget. But it is not an adequate measure of economy. In private business, wage and salary cuts followed in the wake of a trimming of all other expenses and the elimination of much waste. The prime minister in announcing the reduction said, "We have decided to have this economy begin with ourselves." But why should economy begin only now? Economy in public affairs should have been instituted at least two years ago when the depression was yet much younger. Instead the country has been burdened with the weight of wheat bonuses, pool guarantees, continued railway deficits, alleged relief schemes that did not relieve, and a host of other expenses. It is very late to begin economy and to instill efficiency and cutting civil service salaries as a first measure is putting the cart before the horse.

A WAY TO INCREASE MONEY HOARDING

THE very aggressive campaign that is being waged in the United States at the present time to get hoarded currency back into circulation is another evidence of the American people's childlike faith in appeals to emotion. Mr. Hoover, who showed himself to be a business-like administrator when he was secretary of commerce, has not yet got his bearings as president. Apparently a business man is likely to be a failure as a politician just as the average politician is apt to lack the business sense.

When the slump first came, Mr. Hoover felt that he could end it by asking people to buy. When this failed, he attempted to create prosperity by a campaign designed to stop the downward dive of prices. But always the depression kept a step or two ahead of Mr. Hoover and his record of intervention in business is a sorry one. Now he has organized a vast nation-wide machine to get money back into circulation again. The report of the White House Conference at which the campaign was inaugurated, is as futile a document as was ever written. The organizers of this campaign seem to feel that all they have to do is to ask the public to put their money back into the banks and a huge flow of currency will flow into the various savings institutions of the country, liquefying their resources and starting the wheels of business turning again.

It does not seem to have occurred to the sponsors of this newest form of prosperity propaganda that their campaign may have directly the reverse effect to that intended. To tell people that the hoarding of money is the cause of all the bank failures and to ask them to put their money back into the banks or securities again will merely serve to advertise the fact that there is much financial trouble a-foot and will probably create a greater degree of panic than now exists. The American people have hidden away between $1,250,000,000 and $1,500,000,000 in currency (the equivalent of between $12,500,000,000 and $15,000,000,000 of credit) because they have lost faith in their banks and in securities generally. The reason they have lost faith is because banks have failed by the thousand and securities have dropped to very low levels. Before they can be induced to alter their present policy they must have assurance that banks will not fail, and that securities will not decline further. A return of public confidence is one thing that will help to bring about the desirable objective. But confidence will not be created by a campaign that advertises the sore spots.

If one were to suggest that the whole campaign has been started by those who want the deflation to go further in order to profit from the decline, one would have plenty of evidence to back up the assertion. But possibly the thing is merely misdirected enthusiasm.

A long discussion could be written on this newest appeal to emotional patriotism. But the columnist of the New York Herald-Tribune, a strong Republican journal, puts it in a nut-shell:

> Overheard yesterday morning: "What's all this hoarding talk?" "Hoover says don't keep your money in strong boxes; put it back in the bank." "Say, I never thought of that. I've got $350 in a bank. Guess I better draw it out. Fifty million hoarders can't be wrong."

GOVERNMENT AND BUSINESS

THE OTTAWA JOURNAL takes time off to jeer at The Financial Post for making this statement:

> "Government should be run like a business with all the efficiency, the energy, the restless ambition checked by practicality, the broad humanity that characterizes every well managed, successful business enterprise."

"The pulp and paper business, for example," says the Journal. It is a very poor example. The pulp and paper industry in Canada has not been well managed. It has been run on about the same principles that govern most business enterprises under government control. If The Ottawa Journal had been managed like the Canadian pulp and paper industry has been managed it would not even be in existence today.

The Journal wants to know "where was The Financial Post when the pulp and paper business was getting into a hopeless morass with reckless financing?" We are delighted to answer the question. The Financial Post was on the job publishing figures to show the gravity of the potential expansion in the industry; warning of the danger to come; protesting against the recklessness of newsprint financing and the dictatorial snobbishness of the fine paper industry. The Ottawa daily, smarting somewhat under the difficulty of defending extravagance in government, concludes with this bright mockery:

> "The Journal is becoming a bit 'fed up' on this propensity of business leaders and so-called financial journals to stand on the summits and deliver lectures to politicians and governments. It is simply a case of the pot calling the kettle black—and with the pot a lot blacker than the kettle."

Those who have honored The Financial Post by reading it over a term of years know that this newspaper does not set all business men up on pedestals and encircle them weekly with fresh political wreaths. The independent editorial policy of The Financial Post is broad enough to permit very frank and critical discussion of business as well as governmental policies and actions. The Financial Post has never been an organ of any interest or group and in the course of years hundreds of business corporations and executives have come under the fire of The Post when their policies have run counter to the public interest. The Post reserves — and exercises — the same independence toward business that it does toward government.

There is plenty of good government in Canada and plenty of good business administration and they receive from The Post all the credit that is coming to them. But bad business—in or out of government—can usually count on exposure by The Post. The Winnipeg Free Press may call it "camouflage" and the Ottawa Journal may call it "silly twaddle" but somehow we do not see any reason for withdrawing our statement that:

> "Government should be run like a business with all the efficiency, the energy, the restless ambition checked by practicality, the broad humanity that characterizes every well managed, successful business enterprise."

NO PARTY POLITICS

WE QUOTE briefly from three different newspapers. The Quebec Chronicle-Telegraph says:

> ". . . The Financial Post of Toronto is imbued with strong Liberal sympathies."

The Newcastle (N.B.) North Shore Leader begins a quotation from The Financial Post in this manner:

> "The Financial Post (Independent) . . ."

While the Huntingdon (P.Q.) Gleaner says:

> "The Financial Post, which is generally accepted as the voice of the ultra-Conservative . . . interests."

After all, this is pretty good evidence of independence from partisan leanings. The Post is concerned with the business of Canada, whether private business or government business, but we have no partisan bias of any kind. Sometimes when we happen to support a policy that is favored by the Liberals and condemned by the Conservatives we are labelled as a Grit sheet. But another editorial may give comfort to the Tories. All this is merely incidental and is significant of no party adherence on behalf of this paper.

Of course, some people believe that every journal should line up on one side of the political fence or another. The reader who cancelled his subscription recently, on the ground that we had turned Tory was balanced by a second reader who dropped The Post because we were a Liberal organ.

The Financial Post is and will remain independent of party politics but that will not preclude us from discussing the policies and actions of governments.

EDITORIAL NOTES

A Democratic wag has provided a slogan for the Republican election campaign later this year: "Don't change toboggans sliding down hill."

* * *

Mr. Bennett deserves to be congratulated on having eliminated partisanship from consideration when he selected the former secretary of a late Liberal minister as comptroller of the treasury.

* * *

Canadians have pleasant recollections of the Rt. Hon. Stanley Bruce, former prime minister of Australia, a forward-looking Imperialist. He will be in Ottawa for the Imperial Conference and afterward will become Australian minister in London.

POST-scripts

THE Japanese Minister at Ottawa sends us a copy of the annual review number of the Japan Advertiser. From it we learn that:

The depression in Japan is a trivial thing compared to what it is in the United States;

The Japanese prime minister thinks that the relations of his country with foreign nations are satisfactory;

The minister for foreign affairs thinks that international co-operation will bring the world out of depression;

The governor of the Bank of Japan thinks conditions are fundamentally sound;

All this seems to suggest that Japan too has learned the gentle art of bunkum. Yet to be quite fair the Japan Advertiser presents a much more accurate condition of the general depression and stress in its country than is usually presented in issues of this type.

We are particularly impressed (not to say depressed) by the frankness of one Japanese banker who says there is not the slightest indication of revival and who forecasts a long period of business trouble.

WHAT this country needs is not a good 5 cent cigar, but a good prober! On picking up the morning paper the other day, we discovered that the front page was largely devoted to announcing that probes were going to be conducted into this and that. It seemed that the time of our law-givers would be given over too much to probing and not enough time devoted to passing new laws which in years to come would result in more probes. In these days of economy and efficiency, therefore, the thought appeals to us that it would be a splendid move for the government to appoint an official "prober," one who would be able to devote all his time to probing and leave our legislators to the more useful, but less exciting work, of creating new laws.

WITH increased unemployment the professional panhandler is having difficulty in meeting competition; only efficient and resourceful methods enable the regular hand to make a fair living. One of the old firm in Montreal has adopted a policy which appears to be getting good results, but it means hard work. During the day he assumes a poverty-stricken guise and makes the rounds of the offices with reiterated pleas that all he wants is a little work. In the evenings he sheds his rags and in the frayed but respectable garb of a hard-hit business man he makes the rounds of the residential districts. Holding his Christie hat in his hand he points out that he is obviously different from the usual mendicant; any donation is received with a suitable little speech usually accompanied by a quotation from Shakespeare. Another old-timer places his bet on a long shot. He makes his touch for a definite amount; when asked for an explanation he looks his prospect in the eye and says, "I might as well tell the truth. I want to buy three bottles of beer." Probably he buys coffee and sandwiches and banks the rest but his methods are somewhat speculative.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

FRANCE'S GOLDEN BULLETS

IT HAS been apparent ever since the Armistice that France has been using its banking and monetary policy in a very shrewdly directed campaign to enhance French political prestige. From time to time British newspapers have published protesting articles in which pointed reference has been made to France's golden bullets. Now, Dr. Paul Einzig, a British writer, has published a book setting forth the whole record of financial warfare as conducted by France in order to acquire political power over Europe. Dr. Einzig, who writes under the title of "Behind the Scenes of International Finance" (Macmillan, $2.10) traces the story of the monetary battles that have put France on top of the world temporarily. Dr. Einzig is of the opinion that France's financial campaign has been the main cause of the present international financial crisis.

France's primary objective has been to reduce Germany to a condition of economic instability. This she has done by draining Germany of gold and continuing to demand reparation payments far beyond Germany's ability to pay, according to Dr. Einzig. Secondly, she has circled Germany and Italy with countries that have become financial puppets of Paris. In order to undermine British financial prestige she drained the London market of gold to such an extent that Britain was forced off the gold standard, a move she did not anticipate and which offset much of the effect of the loss of gold from London. Having tried to reduce Great Britain to the position of a second rate power in finance she attempted the same sort of campaign against the United States and nearly induced a panic in the United States in her attempts to drain gold from New York.

By constantly refusing to give credit to nations in need except in exchange for political favors she has prevented recovery from the world depression. On the other hand, she has gathered to herself a huge fighting fund of gold which is used only for political purposes, selfishly and without regard for the needs of the world. She has ascended the throne of international finance.

* * *

NEVERTHELESS, Dr. Einzig (who quotes extensively from the inside history of recent financial movements in support of his contention) feels that France has overstepped the mark. He believes that she is certain to suffer a severe set-back. She has by her policies ruined her chances of ever receiving any substantial amount of reparation; she has put herself in a position to suffer severely from the final repercussions of the world economic crisis; she is bound to suffer losses sooner or later on the political loans she has granted and she has lost the sympathy of Great Britain and other nations who might have safeguarded her against any possible German aggression.

It is a sorry tale that is told by Dr. Einzig. His case is weakened somewhat by the impression one gains on reading the book that it was written for propaganda purposes. He excuses many British and American policies that have contributed to the depression, although criticizing similar policies when conducted by the French.

There are some rather sensational revelations of some of the inside history of 1931 in finance, which suggest that Dr. Einzig has had access to the inner circles of British and American finance in gathering material for his volume.

* * *

MR. EINZIG'S book is dated October, 1931. It is rather significant that his prophecy that France would begin to feel the repercussions of world depression is already coming true. Current reports from France are that unemployment is increasing, business is stagnating, the tourist traffic is falling to a low level, and France's financial power is beginning slowly to dwindle.

At the moment, France is dominant because she alone has built up a liquid reserve of resources. United States and Great Britain are suffering from the fact that their enormous wealth is very largely frozen both in home and foreign investments. Dr. Einzig forecasts that as recovery comes these frozen loans will be converted into sound liquid securities which will restore American and British financial power and leave France behind in the race for world financial leadership and with the enmity of the larger part of the world.

* * *

DECLINE OF HITLERISM

A SPEAKER in Toronto last week suggested that Adolf Hitler and his fiery, steel-helmetted followers would soon have control of Germany when a powerful fight against Communism would begin. One wonders if this speaker is not some months behind the times in his information. Authoritative information from Germany today seems to suggest that Hitler has lost the prestige he held six months ago. At that time, Hitler loomed large on the horizon for two chief reasons. In the first place, he was obtaining heavy financial support from the industrialists of Germany who feared the prospects of Communism and who looked to Hitler to provide a sort of Fascist bulwark against Russian influences. And Hitler was gaining substantial popular support because he took a strong stand against the payment of any further reparations to France, while Chancellor Bruening adopted a more moderate policy of attempting, by negotiation and goodwill, to obtain better terms from France and the other powers.

Now the industrialists have withdrawn their financial support from Hitler. Hitler has proven to be more of a radical than they expected, and they were afraid that Hitlerism might prove the pathway to Communism. And Chancellor Bruening has very shrewdly stolen Hitler's thunder on the reparations. He has already declared informally that Germany will never resume reparation payments and it may be expected that he will shortly make formal announcement to this effect.

* * *

THE German people are not extremists. They have swung away from the military group and they have refused to go as far as either Communism or Hitlerism. With a people of this character behind him, a moderate middle power leader of the type of Bruening is in a strong position and if he will adhere to his stand on reparations, which is about the only thing on which the Germans today have very decided opinions, he is almost certain to win in the forthcoming election.

France's policy of financial warfare that has lost her the goodwill of Great Britain, United States, Italy, and other countries, has strengthened Bruening's hand. Obviously France cannot, by herself, exact the reparation toll from Germany. And she cannot count on outside support.

Country Editor Becomes Overlord of Strong-Box

Canadian Printer and Publisher

One of the most recent appointments made by Premier R. B. Bennett has been that of Watson Sellar to the comptrollership of the treasury. This appointment apparently has not fallen upon Mr. Sellar because of party affiliations, but rather for his ability to serve, as Mr. Sellar has always been a Liberal, and was the private secretary of the late Hon. James A. Robb when minister of finance.

Mr. Sellar is a young man for the important post he now holds, being 37 years old. He was born and educated in Huntingdon, Que. His father was the late Robert Sellar, who founded the Huntingdon Gleaner in 1863 and wrote a number of books on historical subjects. After receiving his education at the local high school he entered the employ of his father's printery and became a master printer and an accomplished journalist. In the little printing office in the fertile valley of the Chateauguay, the staff included, beside himself, his father, elder brother and another printer. In 1914 the young man, as he was then, struck out for Regina, Sask. His ambition at that time was to become a lawyer. He found opportunities to study law in the prairie province until early in 1916 when he enlisted for overseas. He was in France until the end of the war, and was in the army that occupied Germany until May, 1919, when he returned to his home in Huntingdon, after which he went back to Regina to complete his education. In 1921 he graduated with honors in commercial law.

Learned German Language

Owing to over-study and the ill effects of his overseas service, his health broke down. To recuperate he spent over a year on the west coast. During this period he applied himself to a further study of German, a language he aimed to master.

In the early spring of 1922 he returned to Huntingdon and again devoted time and best effort in the interests of the Gleaner. His father having died in 1919, he assumed the editorial chair, relieving his elder brother, who was in poor health and who died in August, 1922. After this family break Mr. Sellar and his youngest brother, Adam, the present editor and owner of the Gleaner, formed a partnership. The Gleaner continued to prosper under this formation of ownership only to be broken by the late Hon. James A. Robb, who lured Watson Sellar to Ottawa. Mr. Robb first offered him the position of being his private secretary in 1923, but this offer was declined. Mr. Sellar felt he should remain with his younger brother for another year. When the year rolled around Mr. Robb again made him the offer and it was promptly accepted.

Negotiated Trade Treaties

Mr. Sellar was Mr. Robb's private secretary until the death of the Liberal finance minister in October, 1929. During that tenure of office he became well known to a great many people of affairs at the capital and was recognized, particularly by Mr. Robb's friends, as an alert and capable assistant.

When the European trade treaties were being made, Mr. Robb had Mr. Sellar accompany Mr. Russell overseas. This proved good experience for Mr. Sellar in his future work.

After the death of Mr. Robb, Mr. Sellar entered the department of finance, although many other inviting offers outside the government had been offered him. His taste for governmental work in the realm of finance was being cultivated and enjoyed. He disliked partisanship, although he could quite easily have found a constituency in which to run if such had been his desire. Many people in the Chateauguay-Huntingdon constituency thought he should follow in the footsteps of the late Mr. Robb and be their member, but such was not his inclination.

Since 1929 he has been in the finance department in the official capacity of assistant deputy minister of finance. Owing to the ill health of the late deputy minister, J. C. Saunders, many extra burdens seem to have fallen upon his shoulders. It is apparent that he has mastered the situation to the satisfaction of Premier Bennett, who a few days ago created him comptroller of the treasury.

As Others See Us

Public Relief Works

Calgary Albertan: The works undertaken as a relief measure have proven expensive partly because it has been necessary to select works on which many men can be employed, and partly because many of them have not been strictly necessary. Long-range planning on the part of governments has been conspicuously absent. Neither Mr. Bennett's administration nor Mr. King's which preceded it was prepared for the depression. When Wall Street crashed no relief policy had been formulated to take care of the general depression which that catastrophe forecast.

Had governments held back on public works during the last boom, leaving private enterprise to take care of current employment problems, they would have had more necessary relief works to undertake and more money to pay for them during the period when private enterprise was paralyzed.

We must muddle through the present depression. But, when we have done so, let the governments keep in mind the fact that some five or six years from now they may be called upon to supply relief works on a large scale. Let them save their resources against such a day. If they do this, public relief works may be shown to be the best way of meeting unemployment difficulties.

The objection is not to the principle of relief works but to the absence of long-range planning which has characterized the undertaking.

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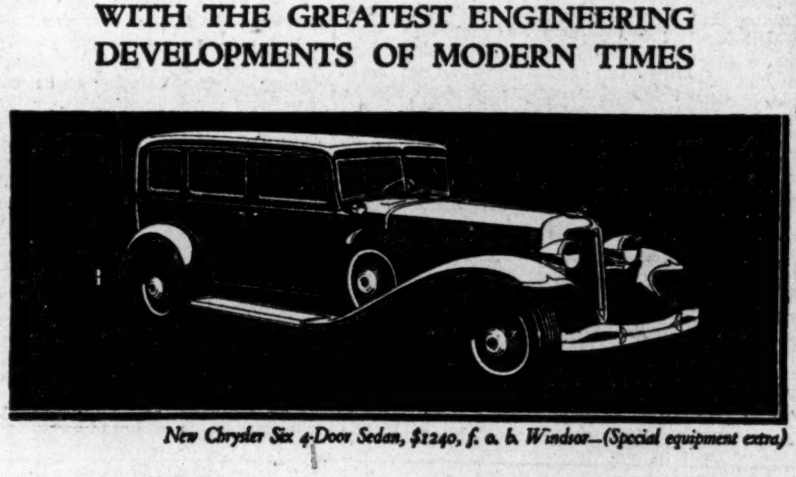

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PRICES
A new Chrysler Six, five body models, $1195 to $1295 (Automatic Clutch on all Sixes at slight extra cost); a new Chrysler Eight, four body models, $2025 to $2075; a new Chrysler Imperial Eight, two body models, $2695 to $2725 and a new Chrysler Imperial Custom Eight, with six body models, (prices furnished on specifications required). All prices f. o. b. Windsor, Ontario, including standard factory equipment (freight and taxes extra).

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Business Conditions in Canada

The Week in Business

U. S. Affairs Distract Business Attention

Purchasing Power of West Being Overlooked

MOST business men have turned their eyes with keen interest to financial developments in the United States during the past week, in the hope that the vast national "reflationary" and "inflationary" undertakings launched there within recent weeks may prove the turning point in the long road that so far has apparently had no turning. Stock markets have responded to the fact that these plans are now definitely at work and business leaders look for the release of frozen credit to stem bank failures and hoarding and arrest the heart-breaking course of commodity prices.

All this is of course vitally important to Canada, dependent as we are on business conditions across the border, and in other countries, but the tendency of business to adopt this attitude of continually looking to the United States or to the trend of international affairs for a revival in business, may cause us to overlook one or two very good business bets right here in Canada.

* * *

THIS is particularly true in regard to the Western provinces and the snap-judgment of some firms in apparently considering that territory a back number until another crop comes in is one that is being revised considerably by more enterprising firms who are digging and digging successfully for business in many parts of the West. For instance, a purchasing power analysis prepared for the Financial Post Business Year Book and reprinted on this page a few weeks ago gave definite proof that in at least five crop districts in the West, comprising about one-quarter of the total area of the three provinces, purchasing power is actually at or near normal while in five others (out of a total of 20) buying power this year is from 75 to 95 per cent of normal.

* * *

THIS means simply that for the great majority of everyday needs there is still substantial purchasing ability in the West, a statement which is amply borne out by the fact that last year alone in these three Prairie Provinces, 15 of the leading life insurance companies which report to the Sales Research Bureau at Hartford, reported that business actually paid for, amounted to over $75,000,000 which was about 80 per cent of the previous year's figures. Similarly bank debits which are a thoroughly reliable index of business turnover, reached the substantial figure of $5,200,000,000 which was only 17 per cent less than the similar total for 1930.

Foresight in watching business and financial developments outside our shores is commendable but the business opportunities which exist right here in Canada must not be overlooked.

Saskatchewan Wheat Yield Average 16 Bus. an Acre

Illustrating the predominant position occupied by agriculture in the life of the province of Saskatchewan, the annual report of the Moose Jaw Board of Trade states that, of the real wealth produced in the province in 1928—selected as a normal year—out of every $100, fully $88 was the product of the soil.

For the ten-year period, 1922-1931, the average number of acres under wheat in the province of Saskatchewan was 13,503,400. The average number of bushels produced was 216,250,000; the average yield, 16 bushels per acre; average yearly value of the wheat was $189,238,000, and the average price received over the ten-year period was 87½ cents per bushel.

CANADA'S SHARE OF EMPIRE TRADE HEAVIER IN 1931

Empire Products Represent 24 p.c. of Imports at $152,100,000

Canada's trade figures for the twelve months ended December 31, 1931, show a grand total of imports amounting to $628,098,000 against exports valued at $617,243,000, as compared with the previous year's figures of $1,008,479,000 and $905,460,000 respectively.

The diversion of trade toward Empire channels is indicated by the fact that the percentage of imports coming from the United Kingdom to total imports in 1931 was 17.4 per cent compared with 16.2 per cent in the preceding year, while the proportion of goods received from all Empire countries rose from 22.6 to 24.2 per cent. The percentage of United States goods dropped from 64.8 to 62.7 per cent. Exports tell the same tale, as may be seen from the table appended.

Some Big Recessions

Among the chief changes in the distribution of trade as between Canada and her customers is the tremendous decline in trade with New Zealand, this having dropped from $30,000,000 to $6,000,000 in the year. Our imports fell from $14,676,000 to $1,509,000, while exports were down from $15,009,000 to $4,573,000. Our exports to Australia suffered a 40 per cent reduction, while imports from the Commonwealth showed a gain of 32 per cent. Imports from South Africa were also materially higher while exports fell off.

Outside the Empire, imports from France dropped from 21 million dollars in 1930 to slightly over 14 million. At the same time exports to that country rose from $13,669,000 to $17,335,000. Trade with Germany was about one-third lower in both directions, sum of imports and exports falling from $32,500,000 to $23,500,000. Italy sent us goods to the value of $4,000,000 odd—($1,400,000 less than in 1930)—while her Canadian receipts fell from $15,360,000 to $5,880,000; Spain also showed material reductions.

Trade with Russia dwindled to practically nothing, our imports amounting to $13,000 and exports to $140,000, compared with $1,964,000 and $1,690,000 respectively in 1930.

Comparative figures of imports and exports to the United Kingdom, the total for Empire countries, and for the United States, for the past two years are given below:

Canada's Imports

From:	1931 $ 000	%	1930 $ 000	%
U. K.	109,468	17.4	162,682	16.2
Empire*	152,098	24.2	227,852	22.6
U. S.	393,778	62.7	653,676	64.8
Total	628,098		1,008,479	

*Including U. K.

Canada's Exports

To:	1931 $ 000	%	1930 $ 000	%
U. K.	172,461	29.9	236,527	26.1
Empire *	222,303	36.0	318,526	35.2
U. S.	266,682	43.2	412,216	45.5
Total	617,243		905,460	

*Including U. K.

Trade Balances

	1931 $	1930 $
U. K.	+62,993,271	+73,894,551
Empire	+70,205,462	+90,674,007
U. S.	—127,096,347	—241,460,263

Note:—Plus sign signifies "favorable" to Canada.

Merchandise L.C.L. Index Lower For Week of Feb. 6

Loadings of merchandise L. C. L. continued to decline during the week ending February 6, the index number decreasing from 89.37 to 86.92. This index represents loadings adjusted for seasonal variations according to records of 1924-1930, these being expressed as a percentage of the average of 1926 which is the 100 base.

This index has been falling away since the beginning of the year, indicating loadings are running below normal seasonal average, but there has been a generally firmer trend since the end of August, 1931, when the index went slightly under 83.

New Taxes Loom for '32

	Canada	United States
Commodity Prices:	Clothing prices cut retail price in January to 85.6 (1926=100).	Inflationary measures expected to stabilize internal price level.
Iron and Steel:	Ford plants to reopen on new models shortly.	U. S. Steel unfilled orders lowest since 1904.
Foreign Trade:	Milling trade hopes to benefit from U. K. preference.	Reconstruction Bill gives aid to financing of exports of agricultural and other products.
Car Loadings:	Current weekly figure 15 p.c. below same week in 1931.	Freight loadings show less than usual seasonal increase.
Employment:	New problem looms as unemployment relief work tapers off.	Pick-up shows less than usual seasonal improvement.
Stock Market:	Little response shown to advances in New York.	Initial response enthusiastic to financial reconstruction schemes.
Week's Highlight:	Federal and provincial governments hunt new ways to tax business.	U. S. embarks on definite programme to end bank failures.

Finds Canada Needs Foreign Capital Influx

Review of Factors Affecting Canadian Exchange Points to Firming of Dollar in Summer or Early Fall

Declaring that the outlook for the Canadian dollar rests upon the Dominion's ability to balance its international payments without undue shipments of gold the Technical Research Service, Montreal, analyzing the factors affecting the exchange situation, expresses the view that this condition is not likely to come about until Canada can attract a greater amount of investment capital than leaves the country.

While even this year Canada may be able to balance her commodity trade and reap sufficient from tourist business and gold production to meet interest and other payments outside the Dominion, the variable and unknown factor, flow of capital, is subject to psychological influences and cannot be gauged. Moreover, it is probable, the survey finds, that with unbalanced budgets and increasing financial tension, any sustained rise in the gold value of our dollar would disturb the present apparent equilibrium and attract capital away from this country.

For the five years ended 1930, Canada's net international balances averaged as follows:

Net International Balances

	1930 $	1929 $	5-year Average $
Tourists	+166	+188	+151
Commodities	—98	—97	+79
	+68	+91	+230
Miscellaneous	—30	—32	—11
	+38	+59	+219
Interest, etc.	—184	—171	—172
	—146	—112	+47
Flow of inv. capital*	+160	+65	—80
Gold movement	+14	—47	—33

*Including errors and omissions elsewhere.

While stressing the point that the psychological factor must temper any apparently obvious conclusions, the survey reviews the forces which will influence the gold exchange value of our currency over the next year as follows:

"**Commodities** — Although Britain's action in abandoning gold parity was the blow which downed the Canadian dollar, the chief underlying cause was the decline in exports. Canada's commodity exports since the war have surpassed imports by a billion and a half dollars; only in three years have unfavorable balances been recorded. The policy of the wheat pools, short crops and low prices for wheat have affected Canada most directly in her exports. Adverse factors have disturbed conditions more than confidence within Canada. Should a profitable wheat crop materialize this fall the Dominion's commodity balance might swing back toward normal, especially as imports from gold standard countries are being penalized by the adverse exchange on Canadian funds.

"**Tourist Trade**—The vital importance of this business to Canada is obvious. In 1922 tourist expenditures in Canada were estimated at almost $92,000,000 and an increase of about 31 million a year was experienced until 1929 when the total reached 308 million dollars. In 1930 a drop of approximately 280 million dollars was revealed. After subtracting the spendings of Canadian travelling outside the Dominion, a balance of $166,000,000 remained.

"With United States money at a premium the attraction to visit Canada is increased. Similarly there is a reluctance of Canadians to spend vacations in the States. Consequently, the balance in our favor should tend to improve and we believe that by 1933 tourist traffic should provide a sufficient sum for Canada, theoretically, to meet her net and similar payments in New York.

"**Interest Payments**—By the end of September, 1931, Canada's trade was improving but this country was faced with the necessity of meeting obligations in New York on bond issue amounting to about $133,000,000 before the end of March, 1932. The gold held by the Department of Finance was only $678,164 in excess of statutary requirements. Canada attempted to establish credits in New York. American bankers, faced with their own problems could not offer Canada accommodation on satisfying terms. As a result the Prime Minister announced an embargo on the export of gold.

"Although a certain proportion of the following interest and principal payments are to be made to Canadians, the following estimate of monthly payments is of vital importance to any one interested in the movement of exchange:

Estimated Requirements of U. S. Funds

1932:	Interest	Principal	Total
Jan.	$17,486	$13,267	$30,753
Feb.	6,478	3,466	9,944
Mar.	11,486	93	11,579
Apr.	16,121	2,221	18,342
May	13,381	2,899	16,280
June	16,073	2,363	18,436
July	17,184	4,781	21,965
Aug.	6,411	2,000	8,411
Sept.	11,485	1,569	13,054
Oct.	16,062	1,000	17,062
Nov.	13,313	8,137	21,450
Dec.	16,023	48,255	64,278
Total	161,503	90,051	251,554
1933	158,079	29,541	187,560
1934	156,618	26,224	182,842
1935	154,918	42,733	197,653

"Comparatively small payments next August and September, together with tourist spendings and a pick up in export trade should cause a firming in the Canadian dollar during the summer and early fall months.

"**Investment Capital** — British and foreign capital invested in Canada amount to about 6 billion dollars. The danger of a sudden selling of Canadian investments by outsiders has been realized by Canadian bankers and this has influenced their attitude against a central bank or a money market in the Dominion.

Capital Outflow Checked

"Attempts to estimate the important investment flow into, or out of, Canada lead into a maze of tangled figures, the survey states. Nevertheless, movement of capital to the U. S. has been definitely checked. At the same time money is dribbling into Canada. American manufacturers are more inclined to expand in the Dominion; funds are temporarily locked in Canada by the discount on the Canadian dollar; Canadians are liquidating American securities in order to increase their "number" of dollars; while branches of Canadian banks report increases in deposits by U. S. citizens, although this movement has not yet reached substantial proportions and until recently was counteracted in part by withdrawals by English investors."

A temporary stabilization point appears to have been reached, the survey concludes, and although no Canadian securities are being distributed in the U. S., the heavy withdrawals from this country have been drying up and during the next year Canada may attract more money for investment than actually leaves the country.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car Loadings (Feb. 6)	40,084	47,319	199,731	222,182
C.P.R. gross earn. (Feb. 7)	$ 2,130,000	$ 2,712,000	$ 11,124,000	$ 14,344,000
C.N.R. gross earn. (Feb. 7)	$ 2,504,801	$ 3,236,890	$ 13,543,130	$ 16,993,984
	Monthly 1931	1930	1931	1930
C.P.R. net earn. (Dec.)	$ 3,676,607	$ 4,203,713	$ 27,763,899	$ 38,687,673
C.N.R. net earn. (Dec.)	$ 93,700	$ 782,875	$ 7,585,700	$ 26,510,938
Iron and Steel—				
Pig iron, tons (Dec.)	13,862	38,023	420,038	747,178
Steel, tons (Dec.)	20,969	53,936	678,087	1,009,578
Automobiles prod. No. (Dec.)	2,482	5,622	82,614	154,192
" exports, No. (Dec.)	390	5,317	20,509	46,970
Construction—				
Building Permits (Dec.)	$ 7,397,384	$ 15,440,281	$ 110,971,410	$ 166,379,325
Contracts (Jan. '32)	$ 12,738,300	$ 20,299,100	....	....
Newsprint—				
Production, tons (Dec.)	165,173	184,755	2,220,775	2,504,146
Exports, tons (Nov.)	171,151	173,149	1,846,408	2,105,516
Sugar—				
Imports, raw, lbs. (Dec.)	46,388,100	42,954,000	798,859,500	812,654,100
Manufactured, lbs.*	61,612,767	67,077,187	982,132,339	943,895,209
Flour—				
Production, bbls. (Nov.)	1,175,152	1,739,375	15,498,215	15,419,320
Wheat, bbls. (Nov.)	476,427	792,271	5,245,914	9,328,660
Other Industrial Indices—				
Lumbering: Plank & board exports mill. bd. ft. (Dec.)	56.65	93.8	937.81	1,458.44
Boots & Shoes pr. (Nov.)	1,254,696	1,124,798	16,544,082	16,023,190
Petroleum, crude, gal. (Dec.)	61,840,000	69,390,000	1,017,889,333	1,011,783,131
Cotton, imp., raw, lbs. (Dec.)	12,224,000	12,333,000	95,597,602	100,483,000
Rubber, raw. imp., lbs. (Dec.)	5,493,000	3,016,000	56,582,470	64,491,499
Coal, imports, tons (Dec.)	1,025,187	1,223,032	18,531,831	17,619,974
Trade—				
Imports (Jan. '32)	$ 34,114,507	$ 50,368,318	....	....
Exports (Jan. '32)	$ 38,866,699	$ 44,647,883	....	....
Wheat exports, bus. (Dec.)	22,355,975	22,230,397	194,269,718	207,761,067
Labor—				
Employment Index (Jan. '32)	91.6	101.7	....	....
Electric Power—Output—				
M. Kilowatt hours (Dec.)	1,432,182	1,542,308	16,333,898	17,862,729
Finance—				
Failures, No. (Nov.)	218	222	2,020	2,163
Failures, Liabilities (Nov.)	$ 4,335,646	$ 3,295,951	$ 49,595,685	$ 43,861,466
Bank Debits (Dec.)†	$ 2,638,122	$ 3,012,223	$ 31,586,468	$ 37,491,302
Bond sales (Jan. '32)	$ 20,658,111	$ 103,167,603	....	....
Insurance Sales (Dec.)	$ 47,163,000	$ 49,874,000	$ 489,312,000	$ 568,056,000
Automobile Financing:				
Used Cars (Dec.)	$ 980,197	$ 2,340,784	$ 21,054,235	$ 34,867,443
New Cars (Dec.)	$ 816,612	$ 612,978	$ 20,860,871	$ 28,610,781

*Four weeks' period Dec. 12 to Dec. 31.
†(000's omitted).

FLOUR EXPORTS FOR HALF YEAR SHOW DECLINE

Encouraging Gains in Shipments of Barley, Oats, Rye

From Our Own Correspondent

MONTREAL.—Exports of Canadian flour in January, 1932, were 331,806 barrels compared with 392,256 barrels in the same month last year. Values in January, 1932, dropped $384,000 to $1,171,870 compared with the same month in 1931.

Six months figures to the end of January, 1932, show a continued decline. Exports in that period were 2,896,805 barrels as opposed to 3,961,694 barrels in the corresponding period of the previous year, while values were down $8,744,000 at $9,970,109.

An interesting feature of the government report on exports of Canadian grain and flour covering the six months ended January, 1932, discloses wide gains in shipments of barley, oats and rye, though wheat exports were lower. Shipments of wheat in the six months period were 104,450,432 bushels, a decrease of about 28,000,000 bushels compared with the same period in the previous year.

Comparative figures on other grains for the six months ended January 31, 1932, are more favorable and are as follows:

	1932	1931
Barley:		
Bushels	7,833,298	2,780,996
Value	$3,417,072	$869,931
Oats:		
Bushels	6,311,695	2,032,340
Value	$2,203,549	$664,498
Rye:		
Bushels	2,911,166	1,129,355
Value	$1,319,532	$418,841

FOOTWEAR OUTPUT VOLUME INCREASED

Preliminary Figures for 1931 Show Canada Produced 17,680,000 Pairs

Canada's output of footwear during the calendar year 1931, according to the total of the monthly returns, amounted to 17,677,616 pairs, compared with a total of 17,087,382 pairs for the corresponding 12-month period of 1930. Final returns for the year may show slight variation, but, as in 1930, the total is likely to be shown somewhat above the aggregate of the monthly figures which are occasionally lacking return from several factories.

Production for December totalled 1,133,534 pairs of footwear, compared with 1,254,696 pairs in the previous month and 1,064,192 pairs in December, 1930. The greater part of the production comes under the classification "boots and shoes with leather or fabric uppers," which in December amounted to 919,847 pairs, an increase over the same month in 1930 or 42,806 pairs.

Imports Much Lower

The value of footwear (except rubber) imported into Canada during December was $67,771, compared with $100,623 in November and $122,396 in December, 1930. Imports for the calendar year 1931 had a total value of $1,809,051, compared with $3,226,120 in 1930. The exports of Canadian made leather footwear in December 1931, were valued at $4,542, compared with $7,907 in the preceding month and $7,873 in December, 1930. Exports for the year 1931 had a total value of $57,394, compared with $245,664 in 1930.

Ford Plans V-Eight and Improved '4'

Information is beginning to filter through regarding Ford plans for 1932, and recent advices from Detroit state that the offerings of this maker will be composed of a V-Eight in addition to an improved four-cylinder model.

While it is understood that prices will be the lowest ever offered, actual figures are believed to be still undecided. The general belief is that a special "easy-term" plan will be provided in order to stimulate sales, a popular theory being that the purchaser will only be called upon to pay $100 down, the balance being distributable over two years on a straight interest basis.

The chassis has been re-designed to accommodate either the eight-cylinder or the four-cylinder engine, and it is understood that the common wheelbase will be extended from 103½ inches to 112 inches, allowing for roomier bodies and making for better riding qualities. Frames will be heavier and low-slung.

Probabilities are that advance models of the new Ford line will be available in time for display at the Toronto Motor Show, announced to open on March 5.

ELECTRIC SUPPLIES 1930 OUTPUT DOWN

Electrical apparatus and supplies produced in Canada during 1930 was valued at $104,577,790, a decline of 8 per cent from the record value attained in the previous year. The electrical supplies industry has shown great expansion in the past decade, the slight recession during the year under review being the first in eight years, but even so, the output was more than double the value recorded for 1923.

The growth of the industry is indicated by the following table, from which the value added by manufacturing may also be obtained by deducting the cost of materials from the selling value:

Production of Electrical Apparatus

Year	Cost of Materials $	Selling Value $
1921	....	45,093,591
1923	....	51,360,400
1925	....	60,158,837
1926	30,195,935	69,767,308
1927	32,734,875	78,558,730
1928	38,784,421	93,672,452
1929	49,623,322	113,796,002
1930	43,111,629	104,577,790

Of the 149 plants classified under this industry in 1930, 107 were located in Ontario, 19 in Quebec, 9 in Manitoba, 8 in British Columbia, 4 in Alberta, and 1 in each of Nova Scotia and Saskatchewan. These firms reported fixed and working capital at $102,979,896. Principal statistics of the industry in recent years are as follows:

Electrical Apparatus & Supplies

Year	No. of plants	empl'd. Capital $ 000	No. Aver. of empl.	$ 000 wages Sal. &
1926	132	80,324	15,246	18,626
1927	130	80,476	16,813	20,614
1928	137	87,953	18,183	22,756
1929	139	101,767	20,871	26,725
1930	149	102,979	20,568	26,260

CONSTANT CHANGE

Changing Conditions often call for changes in one's Will:

- *Changing financial conditions*
- *Changing Succession Duties*
- *Changing family, business and other relationships*

Wills should be reviewed from time to time to be sure that such changes do not necessitate changes there also.

The Royal Trust Company does not draw Wills but its officers will be glad to assist those who wish to plan Wills, and to co-operate with them and their notaries or lawyers in getting them into the best possible shape. Our experience may be of considerable value to you.

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ASSETS UNDER ADMINISTRATION EXCEED $576,000,000

The Most Widely Quoted Editorial Column in Canada
"The Nation's Business"
First Column on Page One

STANDARD STEEL CONSTRUCTION CO.
Limited
WELLAND, ONTARIO

Balance Sheet—31st December, 1931

ASSETS

Current Assets—		
Cash	$ 71,609.12	
Marketable Securities at market and accrued interest	100,301.37	
Accounts Receivable less reserves for doubtful debts	84,567.89	
Cash surrender Value of Life Policy	8,125.40	
Stock on hand and work in process as certified by Secretary of Company	157,797.40	
		$422,401.18
Deferred charges to operation		7,131.96
Fixed Assets—		
Lands, Buildings, Machinery and Equipment, Erection Equipment, Auto Trucks & Office Equipment	$639,671.31	
Less Reserve for Depreciation	163,102.88	
		476,568.43
Investments		7,710.08
		$913,811.65

LIABILITIES

Current Liabilities—		
Accounts payable	$ 22,331.07	
Accrued payroll and provision for Income Tax	5,894.84	
Dividend on Class "A" Preference Shares payable 1st January, 1932	7,342.50	
		35,568.41
Capital—		
Class "A" Preference Shares of no par value: Authorized 10,000 shares Issued 9,790 shares		$411,190.00
Common Shares of no par value: Atuhorized 150,000 shares Issued 120,525 shares		165,001.69
Surplus per Schedule "A"		301,031.55
		$913,811.65

Surplus and Profit and Loss Account

Balance as per Statement 31st December, 1930		$314,115.37
Profit on Securities sold	$ 4,089.61	
Earnings for year after deduction of Operating Costs, Depreciation and Cost of Management	38,358.50	
		42,448.11
		$356,563.48
Deduct—		
Dividends paid on Preference Shares (.75 per share)	$ 29,370.00	
Income Tax for 1930 due to retroactive increase in rate	2,677.90	
Provincial Corporation Tax 1931 (new)	890.89	
Reserve for Investments to bring cost to present market value	22,593.14	
		$ 55,531.93
Balance as at 31st December, 1931		$301,031.55

AUDITORS' CERTIFICATE

We have examined the books of the Standard Steel Construction Co. Limited, Port Robinson, for the year ended 31st December, 1931.

We have obtained all the information and explanations we have required, and, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Company's affairs as at 31st December, 1931, according to the information and explanations given to us, and as shown by the books of the Company.

(Signed) C. S. SCOTT & CO.,
Chartered Accountants.

Hamilton, Ontario.
25th January, 1932.

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G. B. & C. TRUST PLAN REDUCING CAPITAL STOCK

Seek to Cut Par Value Preferred Stock to $50 Share

From Our Own Correspondent

MONTREAL.—Great Britain and Canada Investment Corp. propose reducing the capital of the company from $5,000,000 to $3,000,000 and to that end have called a special meeting of the shareholders to meet on March 11 next.

By-laws will be submitted to the preferred shareholders providing for the reduction of the par value of the cumulative convertible preferred shares from $100 to $50 a share, thus reducing the total preferred capital from $4,000,000 to $2,000,000.

In a circular letter sent out to the shareholders it said: "While the directors would have preferred to reduce the capital of the corporation by changing the preferred shares from $100 par value to shares of no par value, they have been restricted to recommending a capital reduction of $2,000,000, inasmuch as the laws of Quebec provide for a minimum capital with which the corporation may operate."

Amend Stock Conditions

It is also proposed to amend the conditions attaching to the preferred shares as a result of the reduction of the par value. The new by-law provides that in the event of the winding up or dissolution of the company, whether voluntary or involuntary, or for re-organization or otherwise, or upon any distribution of capital, the holders of the preferred shares will receive $105 for each share held, plus all cumulative dividends. The present dividend of 5 per cent will be changed to $5 a share. Holders of the preferred stock will have the right to convert at any time on the basis of two shares of common stock for each share of preferred.

Consequent upon the approval of the new by-laws, the company will have an issued capital stock of $3,000,000, of which $2,000,000 will represent preferred stock and $1,000,000 of common stock, the latter being represented by 350,000 shares of no par value. This will permit the company to carry on its business with a capital of $2,950,000.

Anticipate Capital Loss

The annual report of Great Britain and Canada Investment Corp. will not be available for some time, as the fiscal year ends on March 31, next. It is anticipated that the statement will show a further depreciation of investments, which on March 31, 1931, showed a decline from book value of approximately $2,907,000 or 26.12 per cent.

At the close of the 1931 fiscal year, net assets of the company had a value of $8,405,486. After deducting the par value of the issued debentures, amounting to $6,000,000, there remained $2,405,486 applicable to the preferred shares. As there were $4,000,000 of preferred stock outstanding, the equity remaining was equivalent to about 60 per cent.

ALDRED (CANADA) COVER DEBENTURE INTEREST FOR 1931

Report of Little Value to Holders of Debentures

From Our Own Correspondent

MONTREAL. — Financial statement of Aldred Investment Corp. (Canada) for the year ended Dec. 31, 1931, shows a decline in revenue to $135,269, which was sufficient to cover the debenture interest by a small margin. During the preceding year, income totalled $180,212 and it is stated in the report that this difference in revenue was due to the omission or reduction of dividends and interest payments on securities owned by the corporation, together with a change in the method of computing the revenues receivable by the corporation on its holdings of shares of certain companies whose dividends are paid subsequent to December 31 in each year.

Particulars of the income accounts for 1931 and 1930 follow:

	1931	1930
	$	$
Revenue	135,369	180,218
Less: Loss on sec. sold	5,034	......
	130,335	180,218
Less: Gen. exp.	6,326	7,010
Debent. int.	111,677	112,500
Exchg. prem.	9,432	......
Net profit	2,900	60,708
Less: Tax, etc.	6,282	......
Pfd. divd.	......	15,000
Deb. disc.	......	20,000
Add: Prev. surplus	70,648	44,945
Carried forward	67,266	70,648

Market Values Omitted

From the point of view of the debenture holders, the 1931 balance sheet is unsatisfactory in that it is impossible to tell the equity back of this security. The statement shows total assets of $3,287,237, of which current assets total $102,144, and the balance, $3,185,093, investments held by the corporation at cost.

Without a knowledge of the market value of the company's investments, it is not possible to determine the financial position of the company. This information is not given in the current report. In signing the balance sheet, the auditors do so by adding a rider saying: "Subject to the fact that the value at which the investments of the corporation are carried is in excess of the present market value."

Retire $107,000 Debentures

The principal change among liabilities is the purchase and cancellation of $107,000 of the company's debentures, of which $2,393,000 are now outstanding. These debentures were purchased at a heavy discount, consequently the company set up a capital surplus of $46,690, from which an amount of $23,561 was written off covering discount on debentures of $20,000 and debenture issue expense of $3,561.

The cumulative 6 per cent preferred stock, amounting to $500,000 and all held by Aldred and Co. Ltd., is now $45,000 in arrears of dividends.

WOODS MFG. CO. OPERATING LOSS $30,665 FOR 1931

By-laws Approved Changing Stock and Goodwill Values

From Our Own Correspondent

MONTREAL. — For the second year in succession, Woods Manufacturing Co., producers of jute and cotton products, records a net operating loss.

In the 12 months ended Dec. 31, 1931, the company reports a loss for the year of $30,665, against the corresponding item of $69,208 for 1930. After taking care of bond interest and discount, depreciation, and reserve against inventories, the total loss for the past year was $171,266. During 1930 a dividend was paid on the preferred stock, so that the total deficit for the year was $260,539.

Details of Loss

Particulars of the profit and loss income account for the past two years follow:

	1931	1930
	$	$
Balance, Dec. 31	71,858	314,173
Rest account, transferred to P. & L.	300,000	......
Add: Rebate of inc. tax	......	18,225
Deduct:		
Loss for year before charging bond int. and depreciation	30,665	69,208
Bond int. and disct.	49,287	51,036
Depreciation	33,314	33,314
Reserve against invent.	58,000	......
Divds. on 7% pref. shs.	......	106,981
Carried to balance sheet.	200,591	71,858

Finances Not Strengthened

Examination of the consolidated balance sheet shows that no improvement was effected in the company's financial position during the year. Total assets at Dec. 31, 1931, amounted to $5,726,827, compared to $6,178,506 at the close of the preceding year.

The working capital of the company has shrunk by $172,000, the excess of current assets over current liabilities in the 1931 report being $803,332 and in the 1930 report, $975,279.

Analysis of the report shows that there has been virtually no change in the capital assets of the company, which stand at $4,699,195. The principal changes among current assets include a decline in accounts receivable from $301,361 to $257,844; a cut in inventories from $1,085,774 to $686,552.

Reduce Funded Debt

There has been no change in the amount of common and preferred stock outstanding, while the funded debt shows a reduction of $38,000 to $740,000.

During the year the bank loan of $225,000, shown in the 1930 report, was cut to $19,000. Accounts payable are down from $217,556 to $148,332.

The surplus and profit and loss account balance shown in the 1930 report, amounting to $371,859, has been reduced to $200,591, as a result of the losses marked up last year.

Dividends to Wait

In commenting upon last year's operating results, W. G. McMahon, president, said that a resumption of preferred dividends must await an improvement in business and economic conditions. The values at which the inventory is carried, he said, and the present price of raw material appear now to be at such a low point that it is reasonable to expect that there will be no further large write-downs in commodity values during the current year.

Following the annual meeting of the company, a special meeting of the shareholders was held for the purpose of considering a by-law calling for the conversion of the common shares from a par value of $100 each into a like number of shares of no par value. At the same time it was proposed to reduce the goodwill, shown on the books at $1,673,941, to $1.

Both of these by-laws were approved by the shareholders.

SASKATCHEWAN REVEALS PROFIT FROM RESOURCES

New Department is Able to Show Balance on Right Side

From Our Own Correspondent

REGINA.—The first annual report of the Saskatchewan Department of Natural Resources was tabled at the opening of the session of the legislature. It showed that for the seven months period, from October 1, 1930, to the close of the province's fiscal year on April 30 1931, the department had operated at a small profit, its revenue having been $284,981, against expenditures of $267,691, leaving a surplus of $17,290.

When the natural resources of the province were brought under provincial control in 1930, it meant the transfer to provincial control of 96,178,394 acres of land, of which 79,000,000 are as yet unsurveyed. The surveyed area of the province amounts to 79,317,890 acres, or in other words approximately one-half of the province has been surveyed. Of the surveyed portion by far the greater part had been allotted or disposed of in one way or another before the province took control.

In addition to these lands, there were transferred to the provincial government open accounts to the amount of $22,008,592, a considerable part of which, however, is likely to prove uncollectable. It is made up as follows:

Owing on school lands, 8,043 accounts	$19,615,261.03
Land sales, pre-emptions, purchased homesteads, etc., 3,465 accounts	2,170,574.84
Grazing leases, 7,299 accounts	16,000.00
Mining claims and leases, 2,807 accounts	171,756.20
Timber sale accts. 415 items	35,000.00

Of the total shown for school lands, more than $7,500,000 represents arrears, and the report says:

"Many of these school accounts are in such a hopeless position that the only thing the department can now do is to repossess the land and resell. The amount of indebtedness on many contracts far exceeds the value of the land."

The lands in question represent a portion of the surveyed area in each township set aside for the endowment of schools. These the government was accustomed to sell at auction from time to time. The auctions were usually made at times when conditions seemed propitious, and some decidedly high prices were reached. Purchasers were frequently farmers in the district who had done well and desired to add to their holdings.

The Natural Resources Department is administered from a head office at Regina, with a main district office at Prince Albert, and subordinate offices at Moose Jaw, Hudson Bay Junction and Spruce Lake. A staff of 135 has been employed, of which 100 were formerly employees of the Dominion government in the Department of the Interior.

Ritz-Carlton Hotel Reports Off Season

From Our Own Correspondent

MONTREAL.—The financial statement of the Ritz Carlton Hotel Co. for 1931 was adopted at the annual meeting of the shareholders. The report showed, in common with other hotel companies, that the profits of the company continued to be affected by the prolonged period of depression. The spending power of the public has been greatly reduced and this has curtailed to a great extent the tourist travel, on which hotel business is dependent for its success.

The election of directors and officers of the company, unchanged from last year, was as follows: President, Sir Charles B. Gordon; vice-president, J. M. Mackie; Sir H. Montagu Allan; William Harty; Hartland B. MacDougall; Sir Herbert S. Holt; Elwood B. Hosmer and Charles D. Wetmore. Manager, Emile C. DesBaillets; secretary-treasurer, E. E. McNaly and chief accountant, M. J. B. Fisher.

Acadia Trust Records Further Growth in 1931

From Our Own Correspondent

MONTREAL. — The tenth annual statement of Acadia Trust Co., of Truro, N.S., covering 1931, shows a general all round improvement in the company's financial position. The company's assets now total $757,000 and total assets under administration $5,791,000. Trust funds show an increase of $1,400,000 over the 1930 statement.

At the annual meeting of the shareholders it was decided to transfer $100,000 to the reserve account, thus bringing the reserve up to 2½ times the capital.

Owing to the death of the late Hon. Frank Stanfield, who had been chairman of the board, several changes have been made in the executive. Senator John Stanfield has been elected president and A. R. Coffin, vice-president. Following are the new directors: F. L. Milner, K.C.; John W. McLeod, C. B. Smith, K.C., H. M. Chase, K.C., Hon. J. Fred Fraser, Dr. J. L. McIsaac, M.L.A., Hon. E. M. MacDonald, P.C., K.C., H. F. Bethel, manager and director, P. J. Wilcox, assistant secretary.

ANNUAL MEETING OF The Ontario Loan and Debenture Company

LONDON - CANADA

Deposits And Debentures Increase By $818,879; Assets Now $13,644,182.53

Address of President J. G. Richter on General Conditions, and of the Vice-President and the Manager on Details of the Company's Affairs.

Company's Old Policy of Safe, Conservative Management Brought Another Year of Continued Progress.

The 61st annual general meeting of the shareholders of this company was held on Wednesday afternoon, 10th instant, at the company's offices, London, Ontario, those present being Messrs. J. G. Richter, A. McPherson, T. H. Main, J. McClary Gunn, O. Roy Moore, Judge Talbot Macbeth, Professor James H. Bowman, J. S. Lovell, Alex. G. Calder, J. P. Dewan, Stuart L. Gunn, George Gunn, J. Edgar Jeffery, Walter T. Westby, Earl A. McKellar, Robert A. Coates, Alderman S. E. Weir, J. McClary Moore, Joseph Jeffery, T. G. Weir, James McKenzie, Thomas F. Walker, A. A. Fitzsimons.

The chair being taken by the president, Mr. J. G. Richter, the manager, Mr. T. H. Main, who acted as secretary, read the notice calling the meeting, and the minutes of the last annual meeting were, upon motion, confirmed.

The president, Mr. J. G. Richter, in moving the adoption of the report, said:

"The 61st annual report of your company has been in your hands for some time past, and it will, I feel sure, be gratifying to know that its earning powers have been so well maintained in a year of unprecedented economic conditions.

"A year ago our late highly esteemed president, Mr. A. M. Smart, called attention to the very unfavorable conditions which prevailed throughout 1930, and looked forward to a favorable turn in the tide of affairs in 1931. No doubt we all regret that this much-to-be-desired condition did not eventuate in 1931, a year in which the generally prevailing conditions were even less favorable than during the previous year.

"Agriculture, the chief basis industry in Canada, suffered as probably never before from exceptionally low prices for all farm products, in addition to this handicap generally, large areas in Southern Saskatchewan suffered greatly from continued drought of unprecedented duration and severity, making it practically impossible for the sorely stricken farmers to meet their obligations in the matter of payments falling due under mortgages, and for taxes. Your company, though not largely involved, had of necessity to exercise not only a considerable measure of patience and forbearance in the matter of pressing for collections, but had in some cases to pay taxes in arrear in order to save the property from being sold for such taxes.

"The conditions through which the farmers, in the West in particular, have been passing for the past several years with great courage and optimism, stamp them as deserving of all reasonable encouragement and support in the meantime, so that when conditions again become more nearly normal they will not be too greatly handicapped because of past reverses.

"The conditions under which mortgage loaning corporations are now operating have undergone great changes in the past several decades. In the earlier years loans granted were comparatively smaller than in recent years and improvement in values due to growth in population and favorable economic conditions, made not only for safety of the investments, but also for ready saleability in the event of the properties falling into the hands of the lenders.

"In the evolution of things there naturally came a time when these favorable tendencies came to a halt, but before this was reached a measure of inflation had crept in and when the reaction set in it could only be expected that the margin of security, which formerly was deemed ample, would not now be all that could be desired and minor losses could hardly be avoided.

"Other conditions, too, notably excessive building costs in urban districts due to inflated cost of building materials and higher charges for labor, followed by unemployment and inability of the occupants to pay normal rentals, have added greatly to the difficulties which loaning corporations now have to face.

"Furthermore, the steady per capita increase in municipal taxation, which has been in marked evidence for the past two decades, has nearly doubled in each successive decade and now averages in many instances almost four times as much as twenty years ago. Such an abnormal increase in taxation has reached a danger point for loaning corporations and in making future loans it will be necessary to take into consideration not only probable productivity in conjunction with physical values, but also to have regard to the considerable prior encumbrances due to excessive taxation charges, which in many cases absorb a considerable proportion of the normal returns realizable.

"Having these conditions in mind, your directors this year made a very exhaustive examination of the loans on the books of your company as at the close of the year. All ascertainable losses were written off, and possible prospective losses, because of arrears which might prove uncollectable, were given special consideration and amply provided for by specific reservations.

"The result has been to reduce the net earnings of the past year to something less than for the previous year, notwithstanding the gross earnings being the largest in the history of the company. Some of the earnings written off may and probably will be recovered when conditions again become more normal; but in the meantime it was deemed advisable to make full provision for same so as to be on the safe side whatever happens.

"As the company's reserve fund already is one and three-fifths times the paid-up capital, it was not deemed in the best interest of the company to make further additions thereto this year, but rather to carry forward at credit of profit and loss account, which now stands at $73,543.15, the excess earnings of the company as a further provision against unforeseeable losses in the event of present unfavorable conditions being prolonged beyond reasonable expectations.

"I have much pleasure in moving the adoption of the report."

The vice-president, Mr. Archibald McPherson, seconded the adoption of the report, and spoke as follows:

"As 1931 was a year of severe business depression, you will be interested in our experience with interest collections, as the manner in which interest payments on mortgages are met is an indication of the quality of these investments. The president has recorded the special adverse circumstances affecting farm loans in Western Canada. Ontario farm mortgages are the only other farm loans we have, and the total of these is now small being only $601,000 out of over eleven million dollars of mortgage investments. The amount of interest in arrear on these Ontario farm loans at the end of 1931 was one and one-fifth per cent of the amount invested, as compared with only slightly over one-half of one per cent at the end of 1930. This shows that Ontario farmers, in common with western farmers, have also found it more difficult to keep up their payments than previously, but even this higher proportion of interest arrears is only a small percentage of the total Ontario farm mortgage investments.

"Of our mortgages covering urban properties, which constitute five-sixths of the total, our own City of London, where we have a million and a quarter dollars invested in this way, and Toronto, where our mortgages total three million dollars, make very excellent showings. Interest arrears on London mortgages at the end of 1931 were only one-eighth of one per cent. On the Toronto mortgages, interest arrears at the end of 1931 were one-sixth of one per cent.

"The other cities and towns in which we have mortgage investments, all of course Canadian, together showed a percentage of arrears of interest at the end of 1931 of one-third of one per cent.

"We consider this showing as quite satisfactory in view of prevailing conditions, and as evidence that, having been alive to the dangers just pointed out by Mr. Richter, our selection of mortgage investments has been carefully made.

"The amount at which we have taken into account real estate held for sale shows a somewhat higher total than last year, but at that, is less than three-quarters of one per cent of our mortgage assets. In all likelihood this item will further increase before conditions will so far improve as to permit of disposing of such real estate without undue sacrifice. In the meantime, the properties now on hand, at the amount at which we have taken them into account, will give us sufficient net returns in revenue to amply justify the amount at which they are carried, and there is promise of a possible surplus over that amount when realized.

"Taking into consideration probable continued growth of the company's business, and the fact that the present available office accommodation is already inadequate, your directors deemed it wise to take advantage during the year of the opportunity to purchase, at what seemed a reasonable price, the former Molsons Bank property adjoining our office premises here. This accounts for the increase at which the item of office premises appears this year in our statement. Our plans for bringing part of the new property into use for ourselves have not yet matured, but as cost of alteration work of this kind is lower now than for some time past we may do this before long.

"The depression existing today has been characterized by rapidly falling commodity prices, accompanied by shrinking industrial profits and increasing unemployment. This situation has created a spirit of pessimism in sharp contrast to the spirit of extreme optimism which was so much in evidence two and a half years ago. If we have accepted the warning of the evil results of extreme optimism, so should we be warned against the evil results of unwarranted pessimism. Experience has taught us that depressions last but for a limited time, some of course longer than others, and that recovery begins when confidence is at its lowest ebb. There is no reason in the present instance for neglecting these teachings of experience.

"The natural wealth and manhood of this country remains intact and with faith in the future your directors feel that they may with patience, confidence and courage continue the same safe and conservative policy of investments which has characterized your company in the past."

In speaking to the motion to adopt the report the manager, Mr. T. H. Main, said in part:

"Referring to the assets division of our statement I would like to state in respect to the item under the caption 'Loans on Stocks and Bonds $68,707.80,' that we do not make loans on our own stock, and the amount shown consists almost entirely of loans on our own debentures made for the convenience of our debenture holders. The only stocks held as security for loans are small amounts of Bell Telephone Co. stock and of stock of another mortgage loan corporation.

"Our holdings of government and municipal securities totalling $1,580,531.80 show our very strong position in respect to quickly realizable or liquid assets as against our savings deposits and our maturing debentures. Possibly someone may question the fact that we hold some school district and rural telephone debentures among our Canadian municipal securities as such debentures are Western Canada issues. Our holding of these is small, and none have been purchased for several years, those we hold having been largely paid down from their original sums, and continue to be satisfactorily paid in annual instalments of interest and principal yielding us good returns. The total of these securities held is $110,349.31.

"The total book value of our Government and Municipal securities is very much below the total of the valuation figures set by the Registrar of Loan Corporations for Ontario for use at the end of 1931 in making our returns to that department of the Government.

"The President has called attention to the very serious effect upon the value of real estate of the present excessive Municipal taxes throughout the country, and the consequent necessity of taking this factor into account in making mortgage loans. The taxes imposed upon the Company itself by the Dominion and the different provinces in which we do business keep increasing, and together with our local business tax now make a large percentage of the expense of carrying on our business. In 1931 these taxes amounted to 41% of all other operating expenses, which is a large factor in our Expense Account.

"As a contrast to the great increase of late years in the cost of carrying on public business and the expenses of a carefully managed private corporation, I may say that apart from taxes our expense account as a percentage of our assets has varied but little year by year since before the war, the largest increase in any year being but one-tenth of 1%, and the figure for 1931 is almost one-tenth of 1% less than that for 1913.

"Losses may come to us, and for this we have provided, as far as we can foresee, and taxes will have to be paid, but that which we can control, viz: our own operating expense, we have kept and intend to keep on a sound basis and as economical as efficient oversight of our business will permit.

"As shown in our report, we had a very satisfactory increase during the year in our Savings Department and in our Currency Debentures. We may not have the same experience in 1932. Our Governments—Dominion, Provincial and Municipal—are being compelled to borrow large sums of money, and now that this borrowing is restricted to Canada only, are obliged to offer much higher rates on their bonds than is usually the case. Mortgage Loan Companies cannot compete in their debenture rate with the recent issues of Government and Municipal bonds yielding from 5½ to 6 per cent. Not only new money, which in the ordinary course would come to us for investment in our debentures, is being diverted into these high-rate bonds, but as our debentures mature we are being called upon to repay a larger proportion of the maturities than is usually the case because of the wish of investors to take advantage of the prevailing higher Government and Municipal interest rates. This, affecting as it does, all Companies such as ours, will mean that individuals who may wish to borrow upon mortgage security will find there is little or no money available for them, and their enterprises may have to wait indefinitely. In this respect, therefore, the quicker our governing bodies can modify their borrowings, and reduce their expenses, the sooner it will be possible for capital to again accumulate and be made available for improvements, developments and new enterprises by individual citizens.

"A strong thrift institution such as this Company is, rendering a great public service in its own community. Allowing as we do 4 per cent on savings accounts, and a higher rate on money, even small sums, left with us for fixed terms on debentures and being open to receive such savings every business day of the year every facility and ample encouragement is given to the practice of thrift. Our investments are restricted to the best class of securities our country affords which together with the very substantial additional protection provided by the shareholders' capital and exceptionally large reserve fund should put beyond question the safety of the deposits and debenture moneys so entrusted."

The report was adopted unanimously. Scrutineers were then appointed, and the election of directors proceeded with, Messrs. J. G. Richter, A. McPherson, A. T. Little, T. H. Main, J. McClary Gunn and O. Roy Moore being re-elected for the ensuing year.

Upon motion by Mr. Stuart L. Gunn, seconded by Mr. Andrew Dale, Messrs. A. G. Calder, F.C.A., and George S. Jewell were appointed the auditors of the company for the ensuing year.

At a meeting of the Board of Directors held subsequently, Mr. J. G. Richter was re-elected president, and Mr. A. McPherson, vice-president of the company.

The Ontario Loan and Debenture Company

DIRECTORS' REPORT AND FINANCIAL STATEMENT

AS AT DECEMBER 31st, 1931

London, Canada, 22nd January, 1932.

To the Shareholders,—

Your Directors have pleasure in presenting their report for the year 1931, accompanied by the Balance Sheet and the Auditors' Certificate.

The Balance Sheet shows a satisfactory growth in volume of business, Savings Deposits having increased by $234,146.77, and Debentures by $584,732.12.

As a result of the investment of these additional funds the Mortgage Loans and total of the Government and Municipal Bonds owned show a relative increase.

After payment of Provincial and Municipal Taxes, Interest, Expenses and charges, and after making ample provision for possible losses and contingencies, the

Net earnings for the year 1931 are		$305,906.77
Balance brought forward from previous year		41,875.96
From this Total available		347,782.73
Dividends (Quarterly) at the rate of 12% per annum have been paid		240,000.00
		$107,782.73
Dominion Government Income War Tax:		
The increase not imposed until August, 1931, but made retroactive to profits of 1930, has been paid	$ 6,173.66	
Provision for 1931 Tax accrued but not due	28,065.92	
		34,239.58
Balance carried forward		$ 73,543.15

Although 1931 was a year of severe business depression, payments on the Company's Mortgage Loans, instalments of principal as well as interest, have on the whole been satisfactorily met, except in connection with Western farm mortgages.

In Western Canada drought of unusual severity over large areas caused practically complete crop failures in those districts. Even where fairly good crops were harvested, the extremely low grain prices made it very difficult and in most cases impossible for farmers to meet their obligations. The Company's Western farm mortgages are less than one-tenth of its total mortgages, and provision in previous years to meet possible losses in this connection as well as elsewhere has been substantially increased this year.

During the year the Company was bereaved to a most unusual extent by the death of Directors. Early in the spring the death occurred of Mr. C. R. Somerville, a Director for over 16 years, and the Company's Vice-President since 1921.

In July the President, Mr. A. M. Smart, passed away after several months' illness. His connection with the Company dated from 1894. In 1906 he was appointed Manager, and in 1910 a Director as well, and President in 1921. The Company's present strong and very satisfactory position is largely due to Mr. Smart's wise and steadfast policy of building up its Reserve Fund.

Later in the same month, Colonel Wm. M. Gartshore, a Director for 30 years, and Mr. John M. Dillon, a Director since 1902, both died.

It is with sincere regret the death of these colleagues, all men of outstanding character and achievement in the community, is recorded.

As the vacancies occurred, they were filled for the remainder of the respective terms by the appointment in turn of Mr. Archibald McPherson, Mr. Thomas H. Main, Mr. J. McClary Gunn and Mr. O. Roy Moore.

All of which is respectfully submitted.

J. G. RICHTER, President.

ASSETS:

Office Premises (freehold)—		
As at 31st December, 1930	$ 40,000.00	
Adjoining property purchased in 1931 for necessary enlargement, at purchase price	50,000.00	
		$ 90,000.00
Real Estate held for sale		79,429.67
Mortgages—Principal $11,251,280.05; Interest $276,722.54		11,528,002.59
Loans on Stocks and Bonds		68,707.80
Securities of United Kingdom, Dominion of Canada and Provinces of Canada		637,419.63
Securities of Canadian Municipalities and School District and Rural Telephone Debentures		529,528.94
Securities Guaranteed by Dominion of Canada and Provinces of Canada		413,583.23
Securities of and Deposits with other Loan Companies of Canada		17,969.95
Cash in Chartered Banks in Great Britain	$ 62,758.45	
Cash in Chartered Banks of Canada	212,756.54	
Cash in Office	4,025.73	
		279,540.72
		$13,644,182.53

LIABILITIES:

To the Public:—		
Debentures, Sterling, including accrued interest	$ 769,482.21	
Debentures, Currency, including accrued interest	6,207,397.34	
		$ 6,976,879.55
Deposits		1,293,302.01
Other Liabilities, including provision for Dominion Income Tax accrued but not due		40,457.82
		$ 8,310,639.38
To the Shareholders:—		
Capital (40,000 shares of $50.00 each, fully paid)	$2,000,000.00	
Reserve Fund	3,200,000.00	
Quarterly Dividend payable 2nd January, 1932	60,000.00	
Profit and Loss Account, Balance carried forward	73,543.15	
		5,333,543.15
		$13,644,182.53

J. G. RICHTER, President. T. H. MAIN, Manager.

To the Shareholders of The Ontario Loan and Debenture Company:

We hereby certify that we have audited the books and accounts of The Ontario Loan and Debenture Company continuously throughout the year ended 31st December, 1931, and find the above statements in accordance therewith. We have verified the Cash and Bank Balances, and have examined the Company's securities and find them in order. All our requirements as Auditors have been complied with, and in our independent opinion and according to the information and explanations given us, the above statements are properly drawn up and set forth fairly and truly the state of the Company's affairs.

All transactions that have come within our notice have, we believe, been within the powers of the Company.

A. G. CALDER, F.C.A.
GEO. S. JEWELL
Auditors.

London, Ontario, 19th January, 1932.

Halifax Apple Shipments Showed Increase in 1931

Apple shipments from the port of Halifax to November 15, 1931, showed an increase of 26.7 per cent compared with the similar period of 1930, totalling 559,663 barrels.

The largest quantity consigned to one port during the season was 215,867 barrels to London, which compares with 145,267 barrels for the same period 1930. The greatest increase was shown in shipments to Liverpool, which rose from 106,044 barrels to 185,201 barrels, an increase of 74.6 per cent.

Other ports to which apples were consigned are Manchester, Cardiff, Glasgow, Hull, Avonmouth, Copenhagen, Gothenburg, Antwerp, and Havre.

Exchange Basis Vital When Trading in India

Canadian manufacturers and exporters to the Indian market are strongly advised to have printed or prominently stamped on their invoices a notation to the effect that "This invoice is payable in Canadian funds at rate prevailing for retirement of such bills," according to a despatch from the Canadian Trade Commissioner in that country.

"It has come to the attention of this office," says the report, "that in numerous cases banks in India have been retiring Canadian bank drafts, payable in Canadian funds, at the United States dollar rate for retiring such bills on a specified date instead of the Canadian dollar rate, and that in some instances customs appraisers have been converting Canadian dollar invoices into rupees at the United States dollar-rupee exchange rate, which has been considerably higher than the India-Canada rate. It is accordingly advised that notation already mentioned be printed or stamped on the invoice, and that the Canadian bank through which the draft is negotiated be informed that they instruct their Indian correspondents to the same effect."

Quebec Will Tax Corporate Profits

From Our Own Correspondent

MONTREAL. — Quebec Provincial Treasury expects to benefit to the extent of $1,000,000 yearly as a result of the imposition of a new tax of 1 per cent upon the profits of corporations in the province.

In announcing the new tax, Premier Taschereau said the corporations in Quebec are now taxed one-tenth of 1 per cent on their capital. There had been a suggestion that this should be raised to one-fifth, but the Government had considered that the Quebec companies should not be taxed more in that way than Ontario companies. Need for revenue to meet unemployment crisis's drain on the Treasury was the reason for the proposed tax, the Premier added and though the revenue forthcoming was difficult to estimate, he had received a tentative figure of $1,000,000.

AIR TRAFFIC GOOD AT ST. HUBERT, QUE.

Though Customs Report Shows Slight Falling Off in 1932

Summary of international aeroplane traffic through the Customs air harbor at St. Hubert, Que., shows that since the official opening of the airport on October 1, 1928, the volume of traffic increased yearly up to the end of the last fiscal year, March 31, 1931. For the first seven months of the current fiscal year, however, the number of planes per month reported inwards and outwards has shown some decrease.

Traffic figures for fiscal years ending March 31, and for the seven months period up to October 31, 1931, are recorded as follows:

	1930-31		1931-32 (7 Mos.)	
	In	Out	In	Out
Planes	760	724	396	382
Passengers	688	1,077	326	487
Baggage, pieces	750	1,040	377	584
Express, pcs.	2,058	35	27	4
Mail, bags	6,410	2,060	3,428	1,275

Newcastle Oil Delivering Gas

A progress report has been issued to shareholders of Newcastle Oil & Mining Co., stating the company has three wells in Seneca township, Niagara Peninsula, delivering gas into the pipe line of Dominion Natural Gas Co., under a ten-year contract at 30 cents per thousand cubic feet.

A fourth well is being drilled on the Niagara acreage. In addition, the company holds leases on 1,300 acres in Middlesex County as well as leases in Turner Valley and a gold prospect in the Matachewan area.

The report says that a limited amount of stock is being offered to the public at 50 cents a share. N. Fraser Allan is vice-president and secretary of the company in Toronto.

Paul Sise Joins Board Dom. Engineering Works

From Our Own Correspondent

MONTREAL.—Paul F. Sise has been elected to the board of directors of Dominion Engineering Works. Mr. Sise is president of the Northern Electric Co., and a director of the Royal Bank of Canada, the Montreal Trust Co., and a number of other well known industrial enterprises.

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

N. B. Telephone

I have considered the purchase of some shares of New Brunswick Telephone Co. if I can get them around $9 a share. I understand that the dividend may be reduced; in that case would the return be satisfactory?

Our understanding is that earnings of New Brunswick Telephone Company in 1931 fell short of those of the previous year, and it is possible that the extra dividend of 2 per cent will be omitted in 1932. Since the company's stock is not listed, it is difficult to get active quotations. If you could pick the stock up at $9 a share, you would, on the reduced dividend basis, be getting a return of over 6⅔ per cent on your money. At the present time Bell Telephone shares return 6.7 per cent.

Canadian Car

As a reader of The Financial Post, I would be obliged if you would give me some information on the common stock of Canadian Car and Foundry Co. I hold some of these shares and am wondering what progress will be made this year.

One of the most encouraging factors in viewing the position of the common stocks of Canadian Car & Foundry Co. is the strong financial position of this organization. Plant activities, we understand, are at a low level, and it is likely that railways will restrict their purchases of new rolling stock to a minimum until conditions improve. However, in the past few years, Canadian Car has built up a strong cash position, which at September 30, 1931, included over $2,000,000 in Dominion of Canada bonds, and $741,600 of miscellaneous investments. Earnings in the last fiscal year were equal to 65 cents a share on the common stock, which at present is on an annual dividend basis of $1 a share. It seems unlikely that earnings will show any improvement this year, but it should be noted that a surplus of $6,055,048 was carried forward from last year.

Gatineau Power

Please give me some information on Gatineau Power Co. I noticed that quotations on the bonds and debentures are at a relatively low figure; how are the securities secured? Can you give me the latest figures on earnings in relation to interest charges?

The latest figures available on earnings of Gatineau Power Co. cover the 12 months ended September 30, 1931. In that period gross and net revenue showed an increase over the same month in the previous year, and after prior charges, including depreciation, first mortgage interest was earned 1.7 times, and debentures interest was covered 2.3 times. The first mortgage bonds are secured by a direct first mortgage on all properties owned by the company. Certain of the transmission lines may be owned by a subsidiary, all of the securities of which will be pledged under the trustee. The debentures are a direct obligation of Gatineau Power Company, but are not secured by mortgage.

Montreal Tramways

In view of the unsatisfactory conditions which generally prevail in the tramways industry and the low prices for bonds of Montreal Tramways Co., I have been somewhat concerned over my holdings of the series "D" 5 per cent bonds of the latter company. How did the company get on last year, and what is your opinion of the situation surrounding the bonds?

We do not think you have any cause for worry over your Montreal Tramways' bonds. Quotations of around 79 are not unduly low in face of the weak bond market prevailing.

The decline in the number of passengers carried in 1931 was only 2.1 per cent compared with the previous year, and it may be said that the company occupies an unusually satisfactory position in the whole field of tramways operation. Its contact with the City of Montreal is comprehensive, and a commission administers the terms of the contract, which grants authority to and imposes the obligation upon the commission always to maintain fares which shall provide revenue.

Hamilton Bridge

As a holder of some common shares of Hamilton Bridge Co. I would like to have your opinion of this concern's prospects for the current year. Do you think they will show an improvement over 1931?

The immediate outlook for structural steel companies is not very encouraging. These concerns, as you know, are largely dependent upon major building operations for their activity and indications are that industrial and governmental expenditure on such projects will be considerably restricted this year. Common dividends on Hamilton Bridge were suspended in August, 1931; whether the company earned its preferred dividend needs last year has not been disclosed.

Gypsum Lime

Please give me some details of the history and operating structure of Gypsum, Lime and Alabastine, Canada. I have been advised to purchase some of the common shares and would be obliged if you would give me information on sales last year and the outlook for the future.

Gypsum, Lime, and Alabastine, Canada, was formed in 1927 as a merger of four companies operating in allied lines. Two additional gypsum companies were acquired in 1928, and in the next year, a substantial foothold was attained in the lime industry. The company operates gypsum manufacturing plants at Montreal, Caledonia and Lythmore, Winnipeg, Calgary, New Westminster. Deposits supplying these mills are located at Mabou, N.C., Caledonia and Lythmore; Gypsumville, Man.; and Falkland, B.C. In addition, it owns nine lime manufacturing plants, and various other units.

Sales of gypsum, lime and alabastine in Canada, in 1931, were about 30 per cent less than those of the previous year, and preliminary returns indicate that the company's income in 1931 was sufficient to leave a small surplus after provision for bond interest. This compares with a net profit, after charges, of $307,364 in 1930. The balance sheet is expected to show working capital sufficient for ordinary purposes. Prospects for the common stock, on which dividends were passed in January, are somewhat obscure at present. The shares rank next to funded debt of $4,469,828, since there is no preferred outstanding, but any improvement in earning power depends largely on an upturn in constructional activity. Indications are that building operations this year will continue at a relatively low level; export business as well has been affected by current rates of exchange. Gypsum Lime is one of the largest companies operating in the industry it serves; it is possible, in fact, that it has expanded somewhat too rapidly. Its research department, however, is active in developing new lines, an important factor in considering the keen competition which is prevalent in this field. The financial statement will appear next month and will enable a more definite analysis of the company's position. Common share earnings in 1930 were 68 cents; 1929, $1.70.

Canadian Industries

What is the outlook for Canadian Industries Ltd.? Will you give me some data on this company and any information you have on earnings for 1931?

The financial statement of Canadian Industries Ltd. for 1931 has not yet been published, and no information is available as to earnings last year. It is encouraging to note, however, that total disbursements on the common stock amounted to $4.50 a share, which compares with $5 a share in the previous year. The payment in 1931 comprised regular dividends at the rate of $2.50 a share plus four bonuses which aggregated $2. Earnings in 1930 were equal to $5.04 a share on the common.

As the largest chemical and explosives company operating in Canada, Canadian Industries has made consistent progress and has carried out wide expansion in the past few years. Through its various divisions, the company has extended the scope of its activities, while its widely diversified production is a factor which tends to stabilize earnings. The company is now operating in the fertilizer field in a fairly large way, while construction of a new cellophane plant is proceeding, a reflection of Canadian Industries' valuable association with the DuPont Co. of the United States. As you probably know, Canadian Industries is jointly controlled by DuPont and Imperial Chemicals Ltd.

The company's stock has a sound record and at present prices yields around 5 per cent. Outlook for Canadian Industries is interesting in view of its wide operating scope and its activity in developing new lines.

Canada Cement

A client of mine holds a bond of Canada Cement Co. and has considered the purchase of an additional $500. Would you be good enough to indicate the prospects for the current year and tell me how the bonds are regarded?

The annual statement of Canada Cement Co. for the year ended Nov. 30, 1931, showed stability in earnings compared with the majority of other industrial concerns, and bond interest, after depreciation, was covered 2.89 times. It should be remembered, however, that the company benefitted last year from the finishing up of a number of construction projects carried over from the more prosperous periods; outlook for business in 1932 is not so encouraging. The fact that Canada Cement supplies about 80 per cent of the total demand in this field in Canada is a factor in viewing the future. Though there is likely to be some decline in earnings this year, improvement in building activity should find reflection in the company's operations in ensuing years. Plant has been well maintained and substantial reserves set aside for depreciation while a sinking fund, which became operative in 1930 has reduced outstanding bonds by $822,000.

At present prices, the first mortgage bonds return a yield of about 6.7 per cent. A point to remember is that interest is payable in New York funds.

London Canadian

I hold some preferred shares of London Canadian Investment Corp. on which dividends have been passed. What is the situation surrounding this company; do you know what progress was made last year?

Conditions in security markets have effected the majority of investment trusts, the value of their holdings has depreciated and their income has been reduced. Financial statement of London Canadian Investment Corp. for 1930 indicated that this concern was no exception though its position may be more clearly analyzed when report for 1931 is published.

In the case of London Canadian, holdings had depreciated 32 per cent from cost at the end of 1930, though this depreciation was only 25 per cent if investment reserve was taken into consideration. Indications are that further shrinkage occurred in 1931, while the fact that preferred dividends have been passed indicates that income has also been reduced.

Sherwin-Williams

What are the prospects for Sherwin-Williams Co. of Canada? Is this company doing well this year or are earnings off?

Sales of Sherwin-Williams Co. of Canada since the beginning of the fiscal year, September 1, 1931, to date, are below those of the same period in the previous year; but final results for the 12 months will depend largely on spring business, which does not become active until the opening of navigation. In addition to lower sales, paint companies have been confronted by lower prices for their products and reduced commodity values, which tend to restrict the margin of profit on sales and reduce inventory values. The effects of these factors were reflected in earnings of Sherwin-Williams for the fiscal year ended August 31, 1931, when net profits fell short of total preferred dividend requirements. The balance sheet of the company, however, shows a strong position and surplus at the end of last year totalled $4,169,607. The company is one of the largest paint manufacturers in Canada, substantial additions have been made to property without recourse to new financing in recent years.

Gatineau Power

My sister holds a diversified list of industrial and utility bonds and has considered the purchase of an additional Gatineau Power first mortgage. I would be much obliged if you would give me your opinion on this security. As she is nearly entirely dependent on income received from investments, safety is a prime consideration. What else would you suggest?

Though the financial statement of Gatineau Power Co. for 1931 has not yet been received, earnings for the 12 months ended September 30, 1931, showed an increase over the same period in 1930, and interest on the first mortgage bonds was covered, after depreciation. Gatineau Power is one of the largest producers of electrical energy in Canada and a favorable feature of its activity is the fact that a substantial portion of its output is contracted for on long-term contracts. Whether your sister should increase her commitments in the first mortgage bonds depends upon her willingness to forego a certain amount of security in favor of income. As you know, Dominion of Canada bonds are selling at relatively low levels and it is possible to obtain a yield of around 5½ per cent on some of the Dominion issues. In view of her dependency upon revenue from investments it might be well to consider the latter securities before making a decision.

Ontario Power

Could you please inform me as to the value of the debentures sold by the Abitibi Power and Paper Company to raise funds for the hydro-electric power development on the Abitibi River, 70 miles north of Cochrane, Ontario, the time the debentures are to run, and the rate of interest to be paid?

I should like to know also your estimate of the total cost of the development and what is the cost plus basis on which The Dominion Construction Company is doing the construction work?

The last quotation which we have for Ontario Power Service Co. 5½ per cent debentures was 60 bid, 65 asked. At the time that these debentures were sold the estimate of the total cost to complete hydro-electric power development on the Abitibi River was $23,000,000 and the total of these debentures sold was $20,000,000. The bonds pay 5½ per cent and are due in 1950.

We do not know the basis on which the Dominion Construction Co. is doing the construction work but we are informed that the funds already at hand will carry on the work well into next summer so that there will not be much financing to do to finish it by October 1, 1932.

Standard Securities

I hold 25 shares preferred and 25 common shares of Diversified Standard Securities. Can you give me some information on this company; what is the stock worth?

By this time you will probably have received a notice regarding the reorganization of Diversified Standard Securities. The letter to shareholders outlines the reason for the reorganization and details of the changes to be effected in the capital structure. Under the new plan you are offered a new preferred and class "A" common stock in exchange for your present holdings. For each old preferred share, you would receive 7/25 of one new preferred share, plus 1/10 of one new class "A" share; consequently your present 25 preferred shares would be exchangeable into 7 shares of new preferred and 2½ shares of class "A" common. For each old common share you are offered one new class "A" share, so that your old holdings of 25 preferred and 25 common can be exchanged for 7 new preferred and 27½ class "A" common shares. We know of no market for Diversified Standard Securities stock at the present time.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

International Nickel

Would you consider it advisable to retain my holdings in International Nickel? I have had a heavy loss on this investment but made it with the long term outlook in view. Was I wrong in this assumption?

International Nickel at present prices is clearly discounting future earnings and reflects the esteem in which it is held by the investing public, as well as the potential earning power of the company.

Current earnings are reflecting to a large extent the low price of copper, as the company is Canada's largest copper producer. The large visible stocks of copper throughout the world and the huge potential capacity has brought about a world effort to restrict production more in tune with copper consumption and thereby bring about improved prices. At the present time there is little to indicate that an immediate improvement in the situation is imminent, but the history of copper prices over a term of years shows that prices have always recovered once liquidation of visible stocks took place.

Nickel, the company's principal source of revenue, is continually finding new fields, but the total consumption is at low ebb owing to curtailed industrial activity. With the uses of the metal increasing any improvement in general industrial activity will doubtless reflect in the company's production.

The company in all its departments is tuned to a high degree of efficiency, has very large resources, and is in a better position than ever before to produce and treat greater quantities of both copper and nickel at lowest costs. Improved general conditions only are awaited to take full advantage of its recently completed expansion programme involving many millions of dollars.

Nickel sales have shown some slight improvement in recent months, but earnings are still low which dictated that it was in the best interests of the company to pass the dividend normally due on March 31 next. The shares of the company have shown remarkable resistance in the stock market to lower prices.

Siscoe Gold Mines

Can you give me some information regarding "Siscoe" gold mines? Is the company doing well and what are the prospects? Will it soon be paying dividends?

Siscoe Gold Mines has been making favorable progress for a young producer. In 1931 it had a total recovery of $742,811 exclusive of premium paid. Preparations are now being made to deepen the shaft, and unofficially it is reported that milling capacity will be further increased. The company is largely controlled by N. A. Timmins, of Montreal. An initial dividend of four cents per share has been declared, payable March 31. Earnings in 1931 were about seven cents per share.

Macassa Mines

Will you please give me some information on Macassa Mines, and your opinion of it as an investment?

Early last spring Macassa Mines concluded arrangements with a certain New York group whereby they purchased treasury stock and provided funds for development purposes. Since last spring an aggressive development programme has been under way and at the present time the shaft being sunk is well on its way toward its immediate objective of 2,500 ft. depth. Simultaneously a drift is being driven in from the adjoining Kirkland Lake Gold Mines property that will speed up development once the shaft is completed. In the past very little development work has taken place on the property and it was not until there was increasing evidence that the Kirkland Lake camp was deep seated that Macassa officials started a deep development programme. The company enjoys excellent management, is adequately financed to carry out its present programme. In this development work, particularly on the drift from the adjoining Kirkland Lake Gold Mines property several interesting ore shoots have been encountered, but no attempts made yet to develop them. Development will follow once the shaft is completed. The location of the company's property, adjoining the most westerly producer in the Kirkland Lake camp, and the length of its holdings on the main break make its development of especial interest.

Pawnee Kirkland Gold

Could you give me any information as to Pawnee Kirkland Gold Mining Co.? I hold 6,000 shares which cost me about 20c a share.

Pawnee-Kirkland Gold Mines has been inactive since November, 1928, owing to lack of funds to continue its development programme. It owns 195 acres in Lebel township and 25 acres in Teck township adjoining the Lake Shore Mines on the north. Most of its holdings adjoining Lake Shore are under water, and last fall these holdings were merged with part of those of Kirkland Lake Gold Mining Co., and some other claims to form the Kirkland Lake Basin Co. Ltd. The principal value attached to these merged holdings is due to the fact that tailings have been deposited on this area from the operations of the other mines. These tailings are known to carry in some instances rather high values in gold, and it is proposed to retreat them at some time in the future. The new company has an authorized and outstanding capitalization of 1,000,000 shares of no par value of which Pawnee-Kirkland secured a substantial block by turning in its holdings. Kirkland shares sold in 1931 from 1 cent to 5 cents per share.

PROFESSIONAL
SUITES
FOR RENT

The Canadian Bank of
Commerce Building,
Yonge and College
Streets

McWILLIAMS
& BROUGHALL

25 King Street West
Elgin 4182
Toronto
Rental Agents and Managers

Union Trust Company
LIMITED
Richmond and Victoria Streets - Toronto

Balance Sheet and Profit and Loss Account, December 31st, 1931

CAPITAL ACCOUNT

Assets		Liabilities	
Mortgages and sale agreements	$ 1,104,149.05	Capital Stock, fully paid	$ 1,000,000.00
Bonds and Stocks	295,114.83	Reserve Fund	500,000.00
Loans on Collateral	56,092.84	Special Reserve re Mortgages and Agreements in Western Canada	200,000.00
Real Estate	252,092.52	Dividend Payable Jan. 2nd, 1932	17,500.00
Other Assets	75,748.07	Taxes and Other Liabilities	27,728.95
Cash on hand and in Banks	18,014.27	Profit and Loss	55,982.63
	$ 1,801,211.58		$ 1,801,211.58

GUARANTEED TRUST ACCOUNT

Mortgages on Real Estate	$ 3,375,920.02	Trust Funds for Investment	$ 2,306,684.16
Victory, Municipal and other Bonds	356,238.61	Trust Deposits	1,457,734.19
Loans on Collateral	349.27	Other Liabilities	76,254.95
Cash on hand and in Banks	108,165.40		
	$ 3,840,673.30		$ 3,840,673.30

ESTATES, TRUSTS AND AGENCIES ACCOUNT

Funds and Investments	$12,477,330.66	Estates, Trusts and Agencies	$12,477,330.66
Total Assets	$18,119,215.54	Total Liabilities	$18,119,215.54

PROFIT AND LOSS ACCOUNT

Quarterly Dividends	$ 70,000.00	Balance forward December 31st, 1930	$ 52,456.58
Depreciation on Equipment	600.00	Profits for 1931 after providing for management costs, etc.	87,945.79
Taxes Paid to Governments	13,819.74		
Balance forward	55,982.63		
	$ 140,402.37		$ 140,402.37

HENRY F. GOODERHAM, *President.* C. D. HENDERSON, *General Manager.*

AUDITORS' CERTIFICATE

To the Shareholders of the Union Trust Company, Limited:—

We have audited the books and accounts of the Union Trust Company, Limited, at the Head Office in Toronto and Branch Office in Winnipeg for the year ended December 31st, 1931, and report that the above statements of Assets and Liabilities and Profit and Loss are in accordance therewith.

We have verified the securities and the bank and cash balances by actual inspection or by certificates from the depositories. The trust funds and investments are kept separate from the Company's own funds and investments and are shown on the books as belonging to the trusts, estates and agencies.

From the best of our information and the explanations given us, we have formed an independent opinion as to the position of the Company. The investments in bonds and stocks are included at values which are not in excess of the values authorized by the Registrar of Loan Companies for the Province of Ontario: subject thereto, we report that in our opinion the foregoing statements set forth fairly and truly the state of affairs of the Company. All transactions of the Company which have come within our notice have been within the powers of the Company.

Toronto, January 26th, 1932.
A. B. BRODIE, C.A.
D. McK. McCLELLAND, F.C.A. } of the firm of PRICE, WATERHOUSE & CO.

NEW YORK LIFE
INSURANCE COMPANY
51 MADISON AVENUE, NEW YORK, N. Y.
A MUTUAL ORGANIZATION, FOUNDED IN 1845 INCORPORATED UNDER THE LAWS OF THE STATE OF NEW YORK

87TH ANNUAL STATEMENT, DECEMBER 31, 1931

ASSETS (itemized below)	$1,890,144,880.69
LIABILITIES (itemized below)	$1,770,472,137.51
EXCESS OF ASSETS OVER LIABILITIES (General Contingency Fund)	$ 119,672,743.18

DIRECTORS

JOHN E. ANDRUS
Manufacturer, The Arlington Chemical Co.
NATHANIEL F. AYER
Treasurer, Cabot Manufacturing Co., Textiles
CORNELIUS N. BLISS
Chairman of the Board, Bliss, Fabyan & Co., Inc.
MORTIMER N. BUCKNER
Chairman of the Board, New York Trust Company
THOMAS A. BUCKNER
President, New York Life
NICHOLAS MURRAY BUTLER
President, Columbia University
CHARLES A. CANNON
President, Cannon Mills Co.
CALVIN COOLIDGE
Former President of the United States
GEORGE B. CORTELYOU
President, Consolidated Gas Company of New York; Ex-Secretary of the Treasury
WILLIAM H. DANFORTH
Chairman of the Board, Ralston-Purina Co.
JAMES G. HARBORD
Chairman of the Board, Radio Corporation of America; Former Major-General, U. S. Army
CHARLES D. HILLES
Resident Mgr., N. Y. State Employers' Liability Assurance Corp.
HALE HOLDEN
Chairman, Executive Committee, Southern Pacific Co.
CHARLES EVANS HUGHES, Jr.
Hughes, Schurman & Dwight Former U. S. Solicitor General
ALBA B. JOHNSON
Philanthropist, Former President Baldwin Locomotive Works
PERCY H. JOHNSTON
President, Chemical Bank & Trust Co.
WILLARD V. KING
Retired Banker; Trustee, Columbia University
DARWIN P. KINGSLEY
Chairman of the Board, New York Life
GERRISH H. MILLIKEN
Deering, Milliken & Co., Dry Goods Commission House
FRANK PRESBREY
Frank Presbrey Co., Advertising
JOHN J. PULLEYN
Chairman of the Board, Emigrant Industrial Savings Bank
GEORGE M. REYNOLDS
Chairman of Executive Committee, Continental Illinois Bank & Trust Co.
J. BARSTOW SMULL
Vice-Pres., J. H. Winchester & Co.; Pres., N. Y. State Chamber of Commerce
JESSE ISIDOR STRAUS
President, R. H. Macy & Co., Inc.
RIDLEY WATTS
Retired Merchant; Director, Chemical Bank & Trust Co.

ASSETS

		Per Cent of Total
Cash on Hand or in Bank	$ 9,792,153.75	.52
United States Government Bonds	47,531,980.91	2.51
State, County and Municipal Bonds	115,177,905.97	6.09
Public Utility Bonds	151,189,300.14	8.00
Industrial Bonds	19,793,579.91	1.05
Railroad Bonds	383,112,490.26	20.27
Canadian Bonds (Dominion, Province, City, etc.)	38,381,749.63	2.03
United Kingdom of Great Britain & Ireland Bonds	4,984,694.80	.26
Other Foreign Bonds	2,179,464.57	.12
Preferred and Guaranteed Stocks	62,402,545.00	3.30
Real Estate Owned (including Home Office)	37,777,895.52	2.00
First Mortgages on City Properties	547,233,154.68	28.95
First Mortgages on Farms	26,003,152.14	1.37
Policy Loans	379,479,403.29	20.08
Interest and Rents Due and Accrued	31,938,020.47	1.69
Other Assets	33,167,389.65	1.76
Total	$1,890,144,880.69	100.00

(In this statement, bonds not subject to amortization and all stocks are valued at market quotations as of December 31st.)

LIABILITIES

Reserves—For All Contractual Obligations	$1,698,495,195.70
For Dividends Payable in 1932	63,210,338.00
For Taxes	6,463,925.07
Other Liabilities	2,302,678.74
Total Liabilities	$1,770,472,137.51
General Contingency Fund	119,672,743.18
Total	$1,890,144,880.69

POLICY PAYMENTS AND INSURANCE STATEMENT

Paid to Living Policyholders (Including Dividends)	$156,096,109.08
Paid to Beneficiaries in Death Claims	71,487,826.31
Total Paid to Policyholders and Beneficiaries in 1931	$227,583,935.39
New Insurance Paid for in 1931	$673,123,000.00
Insurance in Force December 31, 1931	$7,657,373,158.00

The Company has done business in Canada continuously since 1868. It maintains Branch Offices in Quebec, Montreal, Toronto, Winnipeg, Vancouver and Calgary and is represented by its Agents throughout the Dominion.

Investments in Canada December 31, 1931 . . . . $59,725,000.

CANNING COS. FIND CHIEF LINES STILL PROFITLESS

Diversified Production Aids Canadian Canners—Pool Agreement Mooted

Canning companies, which have sought diversification of product in recent years, fare better than those who have confined themselves to a few staples. Even to Canadian Canners, which has so many popular Aylmer brands, the present continued low levels on canned tomatoes, peas and corn cannot be a matter of indifference because these have always enjoyed comparatively large consumption. All efforts hitherto by independent and small companies to get the whole business on a better and understood price basis have so far proved largely unavailing.

Pool May Revise Prices

Canadian Grocer reports, however, that in the trade it is said there is a greater likelihood than ever that something may be done in February in connection with a pool arrangement which would bring prices up more in line with actual costs. It is stated that some kind of an arrangement appears to be nearer than for several months.

Sales of canned tomatoes to the United States, mentioned some months ago in The Financial Post as a possibility because of the discount on the Canadian dollar more or less reducing the advantage given to the United States article by the customs tariff, appear to have dropped off with news of larger United States supplies than at October 1 and with the advance in the Canadian dollar. When the discount was around 20 per cent, Canadian tomatoes began to move but now at 15 per cent the influence of the protective tariff begins to show. It is equal to a drop of 6 per cent in what the canners in Canada could previously obtain for disposing of stock across the line.

Some Lines Profitless

In certain lines competition among canning companies has become so keen that retail prices show no profit whatsoever.

In the current number Canadian Grocer quotes a recent advertisement of the T. Eaton Company, of Toronto, to sell Campbell's Tomato Soups at 5c. a tin, or at the rate of 60c. a dozen. This, of course, was not a regular price. It was a price mentioned specially as an opening hour special and one taking advantage of it had to be at the groceterias between 8.30 and 9.30 a.m. and there was a limit of ten tins to a customer.

"What profit, if any," asks Canadian Grocer, "did the company make? It is understood that Campbell's Tomato Soup, considering the free deal last fall of two cases with ten, costs the jobber or large retailer somewhere around 82c to 83c. If this is the case the loss on a dozen tins would be 22c regardless of any overhead. Based on a sales price of 60c, it looks as if the loss would be 30c."

CONDUITS HAD LOSS FOR 1931 CASH IS STRONG

First Report Since Reorganization Covers 14 Months' Period

The first financial statement of Conduits Co., since the present company took over the predecessor company of the same name in order to effect capital reorganization, shows a loss of $9,666 before payment of a full year's dividends on the 2,450 shares of 7 per cent preferred stock. The balance sheet shows the company with a strong liquid position with sufficient cash on hand to retire all current liabilities.

No comparison with previous years is possible since no report was issued for 1930 and re-organization of capital structure late in 1930 changed the position of the company in several respects. In the current statement no indication is given as to the amounts charged off against depreciation, and other reserves. The profit and loss account for the year is given as follows:

Profit and Loss Account
14 Months Ended Dec. 31, 1931

Loss	$ 9,665
Less: Dividends*	17,150
Debit balance	26,815
Prev. surplus	38,174
Add: Sundry credits	16,095
Bal. carried for'd.	$27,454

*For 12 months.

With total assets of $484,762, current assets of the company amount to $113,104 of which $35,156 is cash; $15,328 is in accounts receivable, less reserve; $46,498 is in inventory and $15,875 represents cash surrender value of life insurance. Current liabilities total $32,308 of which $21,640 is in accounts payable; $6,381 in miscellaneous accounts payable and $4,287 is in dividend due in January.

Fixed assets including real estate, buildings, plant machinery and equipment are shown at $152,857 after unstated depreciation. Patents, processes and goodwill are valued at $218,801, the same as shown in 1929 by the previous company. At the end of 1929, fixed assets were shown at $167,184. At December 31, 1931, there were 2,450 shares of $100 preferred stock outstanding, carried at $245,000 and 60,000 shares of no par value common stock carried at $180,000. Surplus, as shown above, was $27,454. Annual meeting of the company is called for February 22.

Dominion Stores Sales Down 5.8 p.c. in January

Sales by Dominion Stores Ltd. during January amounted to $2,187,906 as compared with $2,822,764 in the corresponding period of 1931, a decrease of 6.81 per cent. In the corresponding period of 1930 sales amounted to $2,261,400.

Report of the company for 1931 is expected shortly and will show earnings of some $1.90 per share. Sales in 1931 totalled $25,200,928, the largest in the company's history.

Co-operative Packing Is Bait Offered Farmers

Cobourg Agriculturalists Are Being Organized on Barrie Plan — Barrie Plant, However, is not Proven Success as Yet—Other Ventures Fail

Strong efforts are being made in Cobourg to promote a co-operative packing plant similar to that operating in Barrie. A charter is stated to have been granted and soliciting of members has been under way since last November.

More than 1,000 farmers are stated to have been enrolled and the promoters hope to secure 2,000 before beginning the building of the plant. Each member has been asked to subscribe $150 and supply the plant with his produce over a period of 10 years. The plant, it is stated, will cover 5 acres and will handle calves, hogs, lambs, poultry and eggs.

No facts have been given by promoters with regard to the success or lack of success obtained in the similar plant started in Barrie. That co-operative plant was started because farmers were informed that packing plants buying their hogs had made tremendous profits and that the farmers could make these profits themselves if they would organize a packing plant. The farmers asked to subscribe the stock were not told that twenty such co-operative plants had been started and had failed in the last thirty years. It is probable that the promoters of the plant were sincere men and did not know of this themselves.

The Financial Post is informed that among the arguments advanced to induce Barrie farmers to invest in the co-operative plant there was the absurd statement that packers were making an average profit of about $7 per head on hogs. The plant has been operating for eight months now and details should be given of results. No one apparently knows the exact facts as to results, but they are not understood to be glowing. Managers were changed recently and the talk in the district is that members are quite dissatisfied.

The Barrie plant was built by the sums put up by the member farmers. The idea was that the farmer members should sell their hogs to the plant at the current market price and receive in cash 70 or 75 per cent of the value of the hogs, leaving the remaining 25 or 30 per cent in the business. This remaining amount was to be paid back to the farmers after a period of three months. It is said that these payments have been at times somewhat behind schedule. Of recent months, the packing business all over North America has been unprofitable and naturally this has not been a good time to start a co-operative or any other packing venture. At any rate it would well pay Ontario and other Canadian farmers, and probably save them a great deal of money, if they waited to see how the initial venture at Barrie works out and insisted on the most explicit details as to expenses and as to profits or losses.

In the packing business, management is a more important factor than in businesses where the product is not perishable. Small companies find it difficult to get men of requisite experience to make a success. It is very bad business to start up new plants, whether co-operative or otherwise, in an industry which is already over competitive. There are already too many packing plants in Canada and some of the large companies are reported to have closed up important sections of their plants.

Canadian Flour Millers Have Large Opportunity

Can Go After 1,000,000 Barrels of United States Product Which 10 Per Cent Tariff May Shut Out of Great Britain After March 1

Canadian flour mills are watching with keen interest developments in their industry as a result of the decision of the British Government to levy a general ad valorem duty of 10 per cent on all imports of Great Britain not now dutiable with the exception of their free list.

The profitable British market will not be relinquished without a struggle, it is felt, on the part of the United States flour millers, especially those established at Buffalo to mill Canadian wheat in bond. The Financial Post discussed some months ago the possibility that certain United States flour millers who had established their brands on the British market might try to get Canadian mills to mill their brands for the export trade to Great Britain. There is also the possibility that some of the larger United States millers with a big export trade to Britain may purchase mills in Canada. It is quite possible that any action of this kind would wait until after the Imperial Conference at Ottawa in July, as the present arrangement is only to last six months and the United States millers would desire to see which way the cat jumped before committing themselves to great expenditure in Canada.

U. S. Flour Movement Slow

Canadian flour millers feared that the imposition of 10 per cent tariff by the British Government, effective on March 1, would lead to large imports of United States flour previous to that period. The Northwestern Miller, in its current number, however, states that the announcement did not result in a large volume of sales by United States mills to importers in the United Kingdom.

Some United States mills reported small amounts sold, contingent upon the flour arriving before Mar. 1. Mills having outstanding unfilled contracts received immediate shipping directions. Some companies had a moderately large volume of unfilled orders but experienced considerable difficulty in securing enough space on boats reaching the United Kingdom before March 1. Not very many vessels were scheduled and the available space was quickly filled. The Northwestern Miller thinks it probable that not all of the flour on unfilled orders will reach the United Kingdom in time, in which case importers will be forced to pay the duty. Some firms reported that they could have made more new sales if proper space could have been chartered.

Canadian Advantage is Great

A few exporters thought that some business could be done in the highest grade flours even after the tariff becomes effective, but the general opinion was that the advantage held by Canadian mills would be too large to overcome. Cheaper grades were definitely out of the picture. With wheat on the free list English millers get a further advantage as far as United States flour is concerned. The quota system prepared for wheat gives them an additional advantage.

The United Kingdom was the second largest market for United States flour, China being first. Exports in the first eleven months of 1931 reached 1,066,600 barrels, 1,536,000 in 1930, 1,317,000 in 1929, 873,000 in 1928, 1,483,000 in 1927, 1,439,000 in 1926 and 1,210,000 in 1925. During those six years exports to the United Kingdom accounted for about ten per cent of the total foreign trade of the United States in flour. It is this business which Canadian mills will hope to get their share of.

There is an inclination in the United States to regard this as the last straw on the back of the milling industry, which already had been badly hurt by Government regulations in the Netherlands, Germany, Czechoslovakia, Brazil and other countries, higher tariffs in nearly all importing nations and interference in United States wheat supplies by Government agencies.

Some relief in the United States situation came from the sale of 15,000,000 bushels of wheat and flour to the National Government of China. Three-fourths of it is reported as already moved.

REAL ESTATE LOAN EARNS 7¾ PER CENT

Toronto Company Maintains Good Balance Sheet Position

With net profits of $38,802 after all expenses and taxes, compared with $44,423 in the previous year, The Real Estate Loan Co. of Canada earned $7.76 per $100 share for year ending Dec. 31, 1931, as against $8.88 for 1930. After paying dividends at the rate of 7 per cent as formerly, $3,802 was added to the $7,449 carried in profit and loss account.

Balance sheet position has been maintained, total assets showing an increase of $7,630 at $1,647,992. Real estate held for sale is valued at $36,736 compared with $35,293. Mortgage investments, including interest, amount to $1,501,987 as against $1,508,566. Loans on stocks and bonds at $4,910 compare with $4,185. Dominion bonds are practically unchanged at $15,110, but Canadian municipal and other debentures and stocks are approximately $3,500 higher at $54,343. Cash stands at $34,708 compared with $25,328.

Liabilities to the public include sterling debentures and accrued interest at $715,977 compared with $680,867, and currency debentures and interest at $95,251 compared with $120,753 a year ago.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Int. on invest.	111,080	111,395
Less: Int. on money borrowed	43,027	41,176
Exp. of money borr.	3,521	2,051
Cost of man., etc.	17,878	17,705
Grant to off.	1,200	1,200
Taxes	6,652	4,840
Net profit	38,802	44,423
Less approp.:		
Dividends	35,000	35,000
Surplus for year	3,802	9,423
Add: Prev. surp.	7,449	12,557
Less: Tr. to res.	....	10,000
Real est. res.	6,681	4,531
Bal. carr. forward	4,570	7,449
Earnings per Share and Dividend Record:		
Earned†	$7.76	$8.88
Paid	7.00	7.00

†Based on paid-up capital of $500,000.

EAST. CAN. SAVINGS EARNED 13.2 P.C.

Halifax Company Shows Higher Debentures and Deposits

Net earnings of $119,789 were shown by The Eastern Canada Savings & Loan Co. for year ended Dec. 31, 1931, compared with $112,292 for the preceding year. Net profits, after depreciation and taxes, available for distribution amounted to $99,295, or 13.2 per cent on paid up capital, as compared with $86,000, or 11.5 per cent in 1930.

Dividends at the rate of 8 per cent were continued, while $4,000 was transferred to contingency and $35,000 to special reserve, leaving $295 carried to profit and loss account which is thus brought up to $903.

Mortgage investments grew from $3,890,000 to $4,074,069, on which overdue interest, according to the statement of the president, W. A. Black, is only about one-third per cent. Real estate held for sale increased from $25,750 to $43,395. Cash is reduced from $103,384 to $48,266, while investments in bonds and stocks (taken in at cost) are shown at $292,950 as against $59,003 for the year before. Accounts receivable stand at $4,307.

Debentures, debenture stock and interest now total $2,849,448 compared with $2,541,433 a year ago. Deposits and accrued interest are $33,790 higher at $465,654.

Profit and Loss Account
Years Ending Dec. 31

	1931 $	1930 $
Earnings*	119,789	112,292
Less: Deprec.	4,032	13,099
Taxes	16,462	13,193
Net profits	99,295	86,000
Less: Dividends	60,000	60,000
Reserve	....	25,000
Trans. to conting.	4,000	1,000
Special reserve	35,000	....
Surplus for year	295	....
Previous surplus	608	608
Bal. carried forward	903	608
Earned Per Share and Dividend Record:		
Earned	$13.23	$11.46
Paid	8.00	8.00

*After deducting interest on debentures and deposits, expenses of management etc.

ACADIA TRUST CO. GAINS STRENGTH DURING PAST YEAR

Enjoys Best Year in History — Adds to Reserve

Showing net profits of $55,619 for the fiscal year ended Nov. 30, 1931, The Acadia Trust Co., of Truro, N.S., celebrated its tenth anniversary with the best year in its history. Earnings are equal to 27.80 per cent on the paid up capital of $200,000, as compared with 24.1 per cent in 1930.

After paying dividends of 10 per cent on paid up capital, the surplus of $35,619 was carried to profit and loss account, bringing this up to $150,298. A transfer was then made of $100,000 to reserve, this fund now standing at $500,000.

Comparative earnings for the past two years are shown in the following statement prepared by The Financial Post:

Profit and Loss Account
(Years Ending Nov. 30)

	1931 $	1930 $
Earnings	74,566	61,891
Less: Expenses	18,947	13,566
Net profits	55,619	48,325
Less: Dividends	20,000	16,000
Surplus for year	35,619	32,325
Prev. surplus	114,679	82,355
Less:		
Trans. to res.	100,000	....
Bal. carr. forward	50,298	114,680
Earned Per Share and Dividend Record:		
Earned	27.8%	24.2%
Paid	10%	8%

Assets of the company were increased from $721,297 to $757,649. Holdings of government and provincial bonds are up from $484,803 to $506,183. Municipal bonds are reduced from $118,504 to $99,597 and other bonds from $25,748 to $20,849. Stocks to the value of $22,800 were acquired during the year, this being the first time this item has appeared in the company's statement. Mortgages increased from $87,190 to $106,212.

Trust funds showed an expansion of about $1,300,000 to $5,034,003, bringing the total assets under administration up to $5,791,652, compared with $4,435,814 at the end of the preceding fiscal year.

Three new directors were added to the board at the recent annual meeting, these being Hon. J. Fred Fraser, Dr. J. L. McIsaac, and Hon. E. M. MacDonald, P.C., K.C.

BRIT. MORTGAGE PROFIT FOR 1931 AT 13¾ PER CENT

Stock Dividend and Sales Increase Paid-up Capital

British Mortgage & Trust Corp., Stratford, Ont., had net earnings in 1931, after all charges including Dominion and provincial taxes, of $138,356—equivalent to 13.83 per cent on the paid-up capital of $1,000,000. This compares with $149,668, or 19.1 per cent on the then paid-up capital of $782,700, for the preceding year.

The capital was increased during the year by the sale of 198 shares, and the payment of a stock dividend of 25 per cent in April. This latter reduced the company's reserve by $197,500, and, following the transfer from profit and loss account of $22,500, the reserve fund now stands at $825,000.

After adding to net earnings, as shown above, $22,685 representing premium received on stock sold, and the previous surplus of $43,707, a total of $204,748 was made available for distribution. Of this $119,091 was paid out in dividends, being at the rate of 12 per cent; $50,000 was transferred to investment account, and $22,500 to general reserve, as stated above, leaving a balance carried forward of $13,157, this comparing with $43,707 for the year before.

Comparative statement of earnings prepared by The Financial Post follows:

Profit and Loss Account
Years Ending Dec. 31

	1931 $	1930 $
Net profits	138,356	149,668
Prem. on stock	22,685	96,640
	161,041	246,308
Less: Dividends	119,091	93,674
Bonus	....	15,624
Invest. reserve	50,000	....
Gen. reserve	22,500	170,000
Surplus for year	*30,550	x32,990
Prev. surplus	43,707	76,697
Bal. carried forward	13,157	43,707
Earnings per Share and Dividend Record:		
Earned (x)	$13.83	$19.12
Paid	†12	12+2

*Debit.
†Stock dividend of 25% paid Apr. 15, 1931.
xOn paid up capital.

Gross assets are up from $7,514,932 to $7,885,402. Guaranteed trusts account shows an increase of approximately $118,000 to $5,176,876. During the year the company's holdings of government bonds were increased by about $127,000 while "other bonds and stocks" are listed at $371,118 as against $40,213 for "other bonds" at the end of 1930.

Guaranteed investment receipts are up $200,000 to $3,280,588. Savings deposits at interest were lower at $1,896,287, this comparing with $1,977,998, due to subscriptions to the National Service Loan.

ONTARIO PROVIDES MORTGAGOR RELIEF

Act Makes Foreclosure Proceedings Subject to Court Consent

Relief for mortgagors is provided in a bill which has received its second reading in the Ontario legislature and which closely follows the Mortgagors' and Purchasers' Relief Act of 1915, which remained in force for some years during and immediately following the war. In brief the bill provides that before foreclosure proceedings can be taken application must be made to a court of law and approval given by a judge. The act does not affect right of enforcement of any mortgage securing bonds or debentures.

The bill provides that no person shall take or continue foreclosure proceedings for recovery of principal money secured by any mortgage of land except with the consent of a judge after an application has been made. The act does not cover mortgages entered into subsequent to the passing of the act, or to mortgages securing bonds, or to rights of foreclosure where default is made in the payment of interest, rent, taxes, insurance, or other disbursements.

On receiving an application for foreclosure a judge may hold hearings to determine whether consent should be given or a stay should be given the mortgagor. Costs are at the discretion of the judge but where the amount involved is less than $3,000 cost is limited to $15. The act will remain in force until 30 days after the close of the next session of the legislature.

GEORGE A. FULLER COMPANY of CANADA LIMITED

BUILDING CONSTRUCTION

DIRECTORS

R. G. Babbage
W. A. Black
L. R. Crandall
Geo. T. Pepall
J. J. Gibson
D. I. McLeod
H. T. Hunter
N. L. C. Mather
Wilmot L. Matthews
J. F. McPherson
Hon. J. M. Wilson

TORONTO
MONTREAL

SERVICE · EXPERIENCE · ORGANIZATION

NEW ISSUE

$6,000,000

The Shawinigan Water & Power Company

Five Year 6% Secured Notes

Dated February 1, 1932 Due February 1, 1937

Interest February 1 and August 1. Coupon Notes $1,000 and $500 denominations, registerable as to principal only. Principal and interest payable in lawful money of Canada at the principal offices of The Royal Bank of Canada in Montreal and Toronto. Callable on 30 days' notice as a whole at any time, or in part on any interest date, at 102½ and interest on or before February 1, 1933, premium thereafter decreasing ½% each year prior to maturity.

Montreal Trust Company, Trustee

CAPITALIZATION
(upon completion of present financing)

	Outstanding
First Mortgage and Collateral Trust Sinking Fund Gold Bonds (Authorized $200,000,000)	$84,344,000 *
Five Year 6% Secured Notes (this issue)	$6,000,000
Capital Stock, one class, without par value	2,178,250 shares

*NOTE:—This figure does not include $15,000,000 of Bonds issued against capital expenditures heretofore made, and held in the Company's Treasury, $8,000,000 of which are to be pledged with the Trustee as security for this issue.

From the letter of Julian C. Smith, Esq., Vice-President, we summarize in part as follows:

BUSINESS: The Shawinigan Water and Power Company is one of the largest producers of hydro-electric power in the world. It owns, or controls through stock ownership or through contracts with affiliated companies, water powers and hydro-electric power in the Province of Quebec aggregating over 2,000,000 h. p. Of this, 858,750 h. p. is developed and in use and 160,000 h. p. is in course of development.

The Company owns 1,602 miles of high tension transmission lines, including lines to Montreal and the City of Quebec. In addition, 2,416 miles of distribution lines are owned or controlled. Electricity is furnished to 427 communities, comprising substantially all the larger cities and manufacturing districts in the Province of Quebec. Total population of territory served is approximately 2,400,000.

SECURITY: The $6,000,000 Notes will be secured by pledge with the Trustee of $8,000,000 principal amount of the Company's First Mortgage and Collateral Trust Sinking Fund Gold Bonds Series "E" 5% due February 1, 1972. The First Mortgage and Collateral Trust Bonds are secured by direct first mortgage on the Company's lands, rights in lands, water powers, dams, power houses and transmission lines owned October 1, 1927, or since acquired and made the basis of issue of additional Bonds; by pledge of certain first mortgage bonds of electric and manufacturing companies; and by a floating charge on all other assets now owned or hereafter acquired.

Total book value of properties (after depreciation) and securities covered by $84,344,000 Bonds outstanding with the public and $8,000,000 Bonds to be pledged as security for this issue of Notes is approximately $138,000,000 of which amount approximately $127,000,000 comprises properties on which the Bonds are a direct first mortgage. Total fixed assets (after depreciation) and securities owned, at book values, exceed $156,000,000.

EARNINGS:

12 Mos. Ended		Gross Earnings	Net Earnings (before Depreciation and Income Taxes) applicable to Interest Charges.	Interest Charges (including interest charged to capital account).	Balance
Dec. 31,	1926	$7,660,207	$4,417,067	$1,459,744	$2,957,323
	1927	9,362,828	4,932,276	1,637,493	3,294,783
	1928	11,562,331	7,098,523	2,250,000	4,848,523
	1929	13,475,863	8,765,733	2,857,754	5,907,979
	1930	14,954,074	10,021,477	3,450,807	6,570,670
	1931	13,693,194	8,660,113 *	3,909,675	4,750,438

*After providing for exchange on interest payable in the United States.

Net Earnings for the 12 months ended December 31, 1931, as above, were $8,660,113, or more than twice the annual interest on all Bonds and Notes to be presently outstanding with the public upon completion of present financing.

It is expected that the first units of the Rapide Blanc Power development will be in operation late in 1932 or early in 1933, and that the sale of power from these units, as primary or secondary power, will substantially increase the Company's revenue.

PURPOSE OF ISSUE: Proceeds of this issue will be employed in connection with the new hydro-electric power development at Rapide Blanc on the St. Maurice River, which will have an initial capacity of 160,000 h.p., and an ultimate capacity of 240,000 h.p., and for other corporate purposes.

PRICE: 97¾ AND ACCRUED INTEREST, YIELDING OVER 6½%
(Plus transfer tax)

Notes offered when, as and if issued and received by us and subject to approval of counsel. All legal matters pertaining to this issue will be passed upon by Messrs. Lafleur, MacDougall, Macfarlane & Barclay, of Montreal. It is expected that Trustee's interim receipts will be ready for delivery on or about February 22, 1932.

Aldred & Co. Limited
Wood, Gundy & Co. Limited
The Royal Bank of Canada
Banque Canadienne Nationale
Harris, Forbes & Co. Limited
Nesbitt, Thomson & Co. Limited
The Canadian Bank of Commerce
Dominion Securities Corporation Limited
Hanson Bros. Incorporated
Royal Securities Corporation Limited
Société de Placements du Canada
L. G. Beaubien & Co. Limited
The National City Company Limited
R. A. Daly & Co. Limited
F. W. Kerr & Co. Limited
McLeod, Young, Weir & Co. Limited
W. C. Pitfield & Co. Limited
Geoffrion & Rainville
Hannaford, Birks & Co. Limited
Collier, Norris & Henderson Limited
Bell, Gouinlock & Co. Limited
Fry, Mills, Spence & Co. Limited
Williams, Partridge & Co. Limited
Mead & Co. Limited
Eastern Securities Co. Limited

The statements contained in this advertisement, while not guaranteed, are based upon information and advice which we believe to be accurate and reliable.

February, 1932

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVI Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, FEBRUARY 20, 1932 10c a Copy; $5.00 a Year No. 8

CANADA BUD NET $1.56 PER SHARE IN FIRST REPORT

Working Capital Shown at $166,147; Sales Increased 25 p.c.

JANUARY AHEAD

Continued Gain Expected in 1932; City Club Breweries is Making Progress

In the first annual statement to be published since the company was formed in 1925, Canada Bud Breweries Ltd., is shown to have earned $328,437 in 1931, before provision for income tax and depreciation reserves This compares with $222,539 in 1930. After inclusion of miscellaneous revenue of $5,697 and deduction of interest, depreciation and income tax reserves, the company earned $1.56 per share on the 150,000 share of no par value stock outstanding.

Sales of the company approximated $2,000,000 and represented an increase of 25 per cent over sales in 1930 despite the drop of 8 per cent in total beer sales in Ontario during 1931. Sales of the company were confined to Ontario and sales of the new subsidiary, City Club Breweries Ltd., are not included. January business is stated to have been 15 per cent above that of January, 1931.

Dividend Well Covered

Income and surplus account for the past year, the first to be made public, is shown as follows with net trading profit taken after charging down inventories on finished products, raw materials and supplies:

INCOME AND SURPLUS ACCOUNT
Year Ended December 31

	1931 $
Net trading profit	328,436
Add: Misc. revenue	5,697
Net earnings	334,133
Less: Int., exch. and bad debts	7,574
Deprec. reserve	65,355
Income tax reserve	26,018
Net profit	235,186
Less: Dividends	150,000
Surplus for year	85,186
Add: Previous surplus	57,169
Less: Adjust. for prev. years	2,156
Surplus forward	140,199

The balance sheet as at December 31, 1931, shows total assets of $1,623,347 of which $350,012 is current. Current assets include cash at $63,878 and accounts receivable of $68,297, which are largely composed of accounts receivable from the Liquor Control Board of Ontario and warehouse accounts due within 30 days. Inventory is carried at $350,012 of which $116,662 is in beer, manufactured and bottled, and $99,725 in materials and supplies. Stocks and bonds amount to $1,450.

Against current assets there are current liabilities of $183,865 which leaves working capital of $166,147. Included in current liabilities are cheques outstanding of $11,893; accounts payable of $99,699; dividends payable of $37,500. Reserve for Dominion income tax, $26,018 and mortgage and interest payable of $8,755.

Land, buildings, machinery and equipment are shown at $1,058,975, against which depreciation reserve of $156,896 has been set up as a liability. Reserve for bad debts amounts to $2,387. Shares of City Club Breweries Ltd. and advances are carried at $58,787 while the company has a contingent liability for the balance of the purchase price of this subsidiary amounting to $97,378 representing mortgages on the City Club property. Licenses are carried at $150,000 and deferred charges at $5,574.

During the past year capital stock of the company outstanding was increased to 150,000 shares from 126,000 shares and outstanding capital is carried at $990,000. Surplus account amounts to $140,199 and special reserve of $150,000 is included to bring shareholders' interest to $1,280,199.

Sales of City Club Breweries Ltd. are stated to be most satisfactory for the three months of operation in 1931. Sales are stated to have been substantially higher in this period than were sales by Canada Bud Breweries in the first three months of operation in 1927. Earnings of the subsidiary are not included with earnings of the parent company and are not divulged.

Quebec Power Records Small Deficit Last Year After Covering Charges

Reduction in Rates Has Effect on Income

EARN $2.24 A SHARE

Working Capital Deficit Set Up Last Year—Plant Shows Further Expansion

From Our Own Correspondent

MONTREAL. — Reduction of rates caused a shrinkage in earning power of Quebec Power Co. last year and the annual statement shows profits on the common stock of $2.24 a share, as against $2.95 a share in 1931.

Gross income for 1931 amounted to $3,392,826. This compares with $3,677,103 in the preceding year. Operating and maintenance expenses were higher at $1,388,025 and after the payment of interest charges and setting aside $150,000 for depreciation, there remained a net profit of $1,241,122. This is roughly $400,000 less than in 1930.

Deficit of $72,723

Dividend charges for 1931 were reduced from $1,382,995 to $1,313,845, as a result of cutting the dividend from $2.50 to $2.00 a share in the last quarter. Even at that earnings were insufficient to take care of the charge by some $72,723.

Particulars of the income account follow:

	1930 $	1931 $
Gross	3,677,103	3,392,826
Less: Expenses	1,296,104	1,388,026
Net earnings	2,380,999	2,004,800
Less: Deprec.	150,000	150,000
Bond int.	600,000	613,677
Net profit	1,630,999	1,241,123
Less: Com. divd.	1,382,995	1,313,845
Surplus	248,004	†72,722
Brt. forward	291,417	386,501
Carried forward	‡539,421	‡313,779

†Deficit.
‡Subject to income tax.

Working Capital Gone

Assets of the company as at December 31, 1931, show a slight increase at $32,371,133 as compared with $32,133,933 at the end of 1930.

For the first time in many years current liabilities exceeded current assets; the adverse balance at the end of 1931 being $145,067. This compared with a favorable balance of $376,961 at the close of 1930.

Fixed assets of the company show an increase from $20,867,364 to $21,123,116. Securities and advances for construction to subsidiary companies declined from $9,939,207 to $9,892,999.

Current Assets Less

Current assets are made up of $319,254 in cash, an advance from $194,905; call loans of $60,000, a decline from $390,000; accounts receivable of $426,839, a slight advance; and $278,418 of stores and supplies, or about the same as at the end of 1930.

The amount deposited with the trustee on account of sinking fund totals $119,288. This sum will be used for the redemption of outstanding bonds.

Deferred charges to operations show a sharp increase from $49,086 to $145,216.

Neither capital stock or funded debt of the company show any change in the 1931 statement.

Show Bills Payable

Among current liabilities is a new item of $250,000 representing bills payable. This is over and above accounts payable, which total $465,235.

There is also a contingent liability of $250,000 in notes under discount.

Reports on Progress

In his annual statement, Julian C. Smith, president, had the following to say, in part:

"In July a further reduction in rates for commercial and domestic lighting was put into effect; this reduction has been reflected in the earnings of the company.

"During the year the system has been extended by forty miles of distribution lines to supply ten municipalities, bringing the total number of towns and villages served by this company to eighty-three.

Change Distribution System

"In the city itself, the distribution system has been rearranged. Current is now supplied at 4,000 volts; two 7,500 kilowatt transformers being installed for the purpose of tying the 60,000 and 25,000 volt systems together. This will have the effect of improving the services on the 25,000 volt system.

"During the year a new substation was constructed in Belvedere Ward to supply the street railway system. The installation of this substation has made a great improvement in the voltage conditions in the west section of the city, relieving the overload on the street railway machines in the Lower Town Substation.

Gas Plant Operating

"The new gas plant is operating successfully. This division shows an increase in sales of 2.6 per cent. The coke which is produced as a byproduct at the gas plant is being sold in increasing quantities and is providing a Canadian fuel to the citizens of Quebec at prices materially less than for anthracite coal.

"The prevailing economic conditions were reflected in the tramway operations. The number of passengers carried decreased about eight per cent, which represents approximately the average decrease in tramways' passengers in other cities.

"The rolling stock was maintained in excellent condition and ten new cars were added.

"The operations of this division (electric railway between Quebec and St. Joachim) were also affected by the prevailing conditions, particularly by the inactivity in the paper industry."

Alberta to Present New Gas Legislation

Hon. J. E. Brownlee, premier of Alberta, stated last week that within a week or ten days he hoped to have legislation before the House designed to provide for the conservation of gas in Turner Valley.

At the time the new legislation is presented in the House it is the government's intention to give all interested parties, including the independent operators, an opportunity to air their views on the subject before the final action is taken.

Mr. Brownlee dealt fully with the Turner Valley situation in the House on February 11, and reviewed the efforts made to secure an agreement between the various interests on a voluntary basis.

The gas expert engaged by the government to investigate the gas wastage and advise on a remedy, is at present in Edmonton to cooperate in the presentation of the new legislation.

4,351 MOTORISTS LOSE PRIVILEGES UNDER NEW LAW

Financial Responsibility Law is Operated Effectively in Ontario

Summary statistics of the workings of the Ontario Financial Responsibility Law during its first sixteen months of operation were given recently by R. Leighton, superintendent of insurance for Ontario in an address at Hamilton, Ontario.

In this sixteen months' period, 4,351 Ontario motorists had operator's licenses suspended and their owner-permits withdrawn by reason of being convicted of major offences against public safety under the Highway Traffic Act. In addition, ten Ontario motorists also lost their privilege of driving in Ontario by reason of conviction of offences in other states and provinces which, if committed in Ontario, would have resulted in the suspension of their licenses. This latter group are penalized under the reciprocal features of the law, whereby other states and provinces notify the Ontario registrar of convictions, within their jurisdiction of an Ontario motorist.

All But 2,500 Reinstated

Out of the total of 4,351 motorists, who lost their driving privileges, 37 per cent, or exactly 1,642, regained these privileges by proving their financial responsibility for future accidents, and the majority of the remainder, namely, approximately 2,500, are now "off the road" through failure to meet the requirements of the act and provide financial safeguard against future accidents on the public highway.

Similarly, it was found that 41 Ontario motorists have already been disciplined and have lost their driving privileges by reason of their failure to pay civil judgments arising out of motor vehicle accidents in Ontario. Of this total, only 2 have paid their judgments, which indicates that at least 39 financially irresponsible motorists are no longer driving on our highways, to the prejudice of the motoring public.

Another outcome of the Act noted by Mr. Foster is that 65 automobile fleet owning employers have proved their financial responsibility for all cars owned by them, in order to relieve the suspension of an employee convicted for an offence under the highway traffic law, while driving his employer's car and not owning a motor vehicle of his own. Some of these fleets number more than 100 cars so that upwards of 5,000 motorists may be said to have filed proof of their financial responsibility with the registrar.

Another interesting sidelight is that as a result of a test of the files of 100 motorists, it was found that 69 out of the 100 bought automobile liability insurance in order to prove their financial responsibility. In other words, on the basis of this check, about 70 per cent of these motorists would today not be insured, and probably would not be financially responsible, were it not for this law.

As to the interchange of suspensions as between other states and provinces, with similar laws to that of Ontario, the Ontario registrar sent 393 certificates of convictions of non-resident motorists to the registrars of other states and provinces during the first 16 months. These convictions arose out of offences committed in Ontario by non-residents. A smaller number of notifications have in turn been received of Ontario motorists of which 10 have been suspended as far as Ontario is concerned.

LOAN & TRUST COMPANIES SHOW HIGHER DEPOSITS

Ratio of Liquid Resources to Deposits Showed Improvement

Showing a ratio to deposits of 57.63 per cent, the combined liquid resources of Ontario loan and trust corporations available to depositors as at December 31, 1931, totalled $43,579,552, compared with $41,310,260 (giving a ratio to deposits of 56.05 per cent) at the end of the preceding year. These figures cover 31 companies operating under the jurisdiction of the Ontario insurance department.

Analysis of liquid resources shows cash on hand and on deposit at $8,500,802 as compared with $9,611,663 a year ago. Demand loans against first-grade securities showed a reduction from $5,016,345 to $1,409,939. Substantial increase was shown in the value of holdings of Dominion and provincial bonds or guarantees, these standing at $20,561,460 as compared with $15,823,210 at the end of 1930, while Canadian city and Ontario municipal debentures have been increased from $10,859,042 to $13,107,351.

Comparison of deposits held by the various companies follows:

Deposits in Loan & Trust Corporations
Ontario
At December 31

	1931 $	1930 $
Canada Perm. Mort.	15,406,462	14,750,285
Cent. Canada L. & S.	4,712,540	5,395,549
Crown Sav. & Loan	59,676	77,459
Dyment Sec. L. & S.	434	5,641
E. Lambton Farmers	154,874	178,081
Guelph and Ont. Inv.	916,964	1,016,437
Huron and Erie Mtge.	10,085,507	10,865,869
Lambton L. & Inv.	974,886	1,098,234
Landed Bkg. & L.	1,455,027	1,562,109
Midland Loan & S.	319,924	323,890
Ontario L. & Deb.	1,269,701	1,059,155
Security Loan & S.	339,671	340,543
Toronto Mortgage	94,285	92,966
Toronto Sav. & L.	1,432,421	1,434,255
Br. Mort. & Trust	1,896,287	1,977,988
Brockville Trust & S.	573,874	555,288
Capital Trust	2,062,007	2,027,582
Chartered Tr. & Ex.	1,701,753	1,422,966
Community Trusts	90,923	71,476
Fidelity Trusts	118,928	65,317
Grey & Bruce Tr.	660,625	672,337
Guaranty Trust	81,137	......
Imp. Tr. of Canada	458,007	492,028
Indust. Mtge. & Tr.	865,252	960,476
National Trust	14,621,404	13,678,145
Sterling Trusts	207,726	224,513
Toronto Gen. Tr.	6,202,861	4,132,451
Trusts & Guar.	1,666,780	1,878,584
Union Trust	1,457,734	1,415,060
Victoria Tr. & S.	1,543,099	1,707,179
Waterloo Trust	4,198,188	4,221,879
Premier Trust	37,090	......
Total, Dec. 31	75,616,049	73,703,749
Total prev. qtr.	78,732,028	70,375,779

Insurance Promotion

GEORGE A. DUMMERT
Formerly manager of the Manitoba division of the Western Empire Life Assurance Co., of Winnipeg, who has been appointed superintendent of agencies for that company.

Trust Company Funds Show 7¼ p. c. Decrease

But Trustee Securities at End of 1931 Show Higher Ratio to Guarant[illegible] Funds Than Prior Year, Sta[illegible]ment Shows

Guaranteed funds held by the 26 trust companies operating in Ontario as at Dec. 31, 1931, totalled $135,394,383, or 7¼ per cent less than the $146,007,509 shown at the end of the previous year. The combined total of trustee securities held against guaranteed funds, however, were shown at $107,181,374 as compared with $100,878,257 a year ago, an increase of 6¼ per cent, according to the quarterly statement published by the Ontario Insurance Department.

Among the guaranteed funds, trust deposits showed an increase of $5,084,600 to reach the total of $40,587,884. Specific guaranteed investments stood at $17,862,374 as compared with $22,920,290 and general guaranteed investments at $76,944,125 compared with $87,583,944 at the end of 1930.

Trustee securities (which were in the proportion of 79.16 per cent in relation to guaranteed funds, compared with 69 per cent last year in 1930), were composed of cash, including money on deposit, $8,732,676; Dominion, provincial and U. K. bonds, $10,709,058; Canadian municipal and school debentures, $10,964,076; school districts and telephone debentures, $208,194; first mortgages on real estate, $74,861,244; demand loans on trustee securities, $1,706,126.

Break-down of the guaranteed fund figures for the various companies and the percentage of trustee investments thereto, for the various companies, are as follows:

Guaranteed Investments of Trust Companies

	Trust Deposits $	Specific Guaranteed Invest. $	General Guaranteed Invest. $	Total Funds $	Trustee Invest. % to Guar. Funds %
Brit. Mort. & Trust of Ont.	1,896,287	......	3,237,727	5,134,014	98.69
Brockville Trust & Savings	573,874	......	213,500	787,374	98.54
Canada Permanent Trust	......	54,500	1,242,532	1,297,032	99.46
Canada Trust	......	......	6,655,189	6,655,189	98.26
Capital Trust	2,062,007	2,240,010	1,209,518	5,511,566	98.76
Chartered Trust & Executor	1,701,753	565,115	288,388	2,555,256	88.38
Community Trusts Corp.	90,923	13,950	......	104,873	84.54
Fidelity Trusts of Ont.	118,928	......	12,250	131,178	80.68
Grey and Bruce Trust and Savings	660,625	......	450,727	1,111,351	98.15
Guaranty Trust	31,137	......	180,042	211,179	90.82
Guelph Trust	......	8,000	486,007	494,007	101.16
Imperial Trusts	458,007	......	218,714	676,721	94.45
Industrial Mortgage	865,252	......	1,791,502	2,656,755	96.92
London and Western	......	......	2,651,686	2,651,686	88.35
Montreal Trust	......	......	24,040,408	24,040,408	14.99
National Trust	14,621,404	2,003,924	4,585,925	21,211,254	93.93
Northern Trusts	2,193,721	......	......	2,193,721	100.00
Premier Trust	37,090	......	182,101	219,191	91.36
Prudential Trust	487	......	......	487	100.00
Royal Trust	......	496,844	7,781,966	8,278,810	74.74
Sterling Trusts	207,726	595,879	......	803,605	99.13
Toronto General Trusts	6,202,861	7,643,190	9,861,407	23,707,458	90.35
Trusts and Guarantee	1,666,779	2,882,381	2,897,556	7,446,717	91.14
Union Trust	1,457,734	1,358,551	948,133	3,764,418	98.49
Victoria Trust and Savings	1,543,099	......	4,411,460	5,954,559	96.99
Waterloo Trust and Savings	4,198,188	......	3,597,386	7,795,574	98.41
Totals, 1931	40,587,884	17,862,374	76,944,125	135,394,383	79.16
Totals, 1930	35,503,275	22,920,290	87,583,944	146,007,509	69.09

Australia Over-Borrows; Jap Issues Hit By War

Another Article in Series Outlining Position of Foreign Bond Issues That Have Been Sold in Canada

ARTICLE NINE: AUSTRALIA AND JAPAN

The bonds of the Commonwealth of Australia have, until recently, enjoyed very much the same credit ranking as the obligations of the Dominion of Canada, but political disagreements have intensified the effects of the depression in Australia with the result that a financial crisis developed in 1931 which very nearly ruined the credit of the country. At the present time Australian 4½ per cent bonds are quoted at 47 in New York as compared with a price of 77 for Dominion of Canada external 4½ per cent bonds.

From 1923 to 1929 Australia borrowed abroad an average sum of $150,000,000 annually. The increasing demand for social service expenditures and development projects under Government control added each to the country's debt. The annual interest charges on this debt amounted to over $275,000,000 per annum. The debt itself is equivalent to over $900 per capita. The per capita debt of Canada, at $224, is considered high enough so that the burden of debt in Australia has presented a serious problem.

Hit by Price Decline

When in 1930 and 1931 wool and wheat prices fell suddenly, the country's difficulties were accentuated. These two commodities constitute about three-fifths of total exports. Added to the normal consequence of the world-wide depression was an extremely difficult political situation. Three parties were struggling for power—the Nationalists, the Country party, and the Labor party. The first named demanded rigid economy, a lower standard of living and prompt fulfilment of all obligations. The other two parties sought other and easier methods of overcoming the difficulties, the Labor party going so far as to advocate a moratorium on all interest payments on the government debt.

Last year matters came to a head when Premier Lang of New South Wales allowed the interest due April 1, 1931, on the sterling debt of that state to be defaulted. The Australian Government immediately took steps to pay the interest on the state's loans and has since maintained such interest payments. The subsequent rapid decline in Australia's credit abroad served to temper the enthusiasm for radical measures. Recently the government was able to secure the support of Premier Lang of New South Wales and other extremists to a plan which involved a 20 per cent reduction in government expenditures, a large internal conversion loan (resulting in 22½ per cent reduction in interest charges) and increased taxation.

For the fiscal year 1930-31 the budget showed a deficit of over $50,000,000. For the fiscal year 1931-32 the Finance Minister expects a deficit of only $25,000,000—which compares with a probable deficit of several times that in Canada this year. There has been a deficit in the public accounts regularly for a number of years, while the various states have also been unable to keep expenditures within revenues.

Pound is at Discount

As mentioned above, Australia's export trade was seriously affected in 1930 by falling wheat and wool prices. In that year imports exceeded exports by over $150,000,000. Large gold shipments were necessary to balance the international accounts. For the year ended June 30, 1931, imports were radically reduced so that export surplus was made possible. More gold was shipped abroad, however, as the service on the external debt offset the advantages of a favorable trade account. Gold reserves have fallen to a low point and Australia is now in much the same position as Canada, which cannot afford to ship any more gold to support exchange. The Australian pound is therefore quoted at a heavy discount, even in terms of the English pound—and much more so in terms of the American dollar.

If party politics can be forgotten, there appears to be no reason why Australia cannot weather the present crisis. The country possesses valuable natural resources and is developing them rapidly. Manufacturing is the largest industry, pastoral production ranks second, and agriculture third. Mining is also of importance so that there is diversified production even though wool and wheat far overshadow other products in the export trade.

Like many other countries, Australia borrowed too freely in good times and must now suffer the consequences of a heavy debt which is made up as follows:

External debt	$2,750,000,000
Internal debt	3,000,000,000
Floating debt	250,000,000
Total	$6,000,000,000

The fact that Australia can balance her budget within $25,000,000 or $50,000,000 in the face of such

(Continued on page 19)

LEGARE EARNS PREF. DIVIDEND IN PAST YEAR

Sales Drop Some 20 p.c. Due to Lower Prices; Collections Good

INVENTORY DOWN

Outlook For 1932 Said to Equal or Better 1931; Current Business Fair

P. T. Legare Co. earned bond and debenture interest, preferred dividends and depreciation during 1931 despite a reduction in turnover of some 20 per cent. Lower prices and keen competition served to reduce profits from the $368,884 shown in 1930 but unit volume of sales is understood to have been fairly well maintained. While collections were not as good as in 1930, the results for the year are considered as being surprisingly good when general business conditions are taken into consideration. A very small percentage of customers have failed to make payments.

Current business is reported to be fair with prospects that 1932 may be as good a year as 1931 and possibly better. Inventories have been substantially reduced and the annual statement for the year ended December 31, 1931, is expected to show liquid position well maintained. The report will be made public in March.

Operating a chain of stores and agencies in Quebec, Eastern Ontario and New Brunswick, the company sells home furnishings, stoves, farm implements and musical instruments. Crop conditions in the area served were fairly good during 1931, it is understood. The company has always earned bond interest by a substantial margin and, while earnings showed some decline in 1930, interest was earned 3.48 times before depreciation and 2.18 times after depreciation. Bonds have been retired each year through operation of the sinking fund.

Depreciation allowance in 1930 was $138,170 and in 1929 was $113,410. It is understood that there may be some reduction in the amount of depreciation provided for during 1931. The regular quarterly dividend payable March 1 on the 7 per cent preferred stock has been declared.

Ship Salmon to Orient

A shipment of 25 tons of British Columbia salmon, processed in the Victoria cold storage plant at Ogden Point, and destined for the Orient, left by the Empress of Canada the other day. There were about 6,000 fish in the shipment, caught off the west coast of Vancouver Island and stored in the local plant. The salmon were shipped in bulk and were glazed during the trip across.

THE SUBSTANTIAL RECORD OF

THE COMMERCIAL LIFE

Paid to Policyholders and Beneficiaries during 1931, $148,710
Paid to Policyholders and Beneficiaries Since Organization, over $650,000
All Claims Paid Within 24 Hours of Receipt of Proof

YEAR	ASSETS	POLICY RESERVES	PREMIUM INCOME	INTEREST INCOME	BUSINESS IN FORCE
1921	$ 179,092	$ 66,294	$ 57,260	$ 7,208	$ 2,648,785
1923	319,425	214,133	128,131	14,638	5,117,538
1925	500,372	405,338	192,944	22,716	6,206,545
1927	806,490	672,091	279.055	40,102	9,044,361
1929	1,274,905	1,033,320	331,703	61,688	10,360,541
1931	1,691.140	1,343,184	341,909	85,977	10,527,083

The Record of the Commercial Life During the Past Ten Years is One of which Any Life Insurance Company Might Well be Proud

Board of Directors
R. H. CAUTLEY, Esq., (President), Edmonton
DR. E. W. ALLIN, (Vice-President), Edmonton; L. G. CALDER, Esq., (Vice-president), Montreal; W. T. HENRY, Esq.; W. W. PREVEY, Esq.; H. W. B. DOUGLAS, Esq.; J. W. GLENWRIGHT, Esq.; JOHN GILLESPIE, Esq., Edmonton; W. FLETCHER BREDIN, Esq., Grande Prairie; F. O. HODGSON, Esq., Vancouver; JOHN A. EAST, Esq., Saskatoon; ROBERT SHANNON, Esq., Saskatoon.

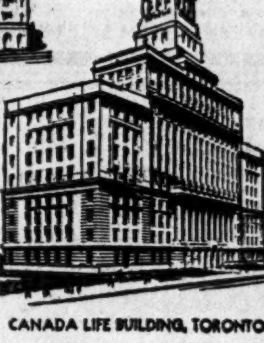
The Commercial Life will consider the appointment of full time and part time representatives in every city and district in Manitoba, Saskatchewan, Alberta and British Columbia. Many people add substantially to their incomes by representing the Commercial Life.

THE COMMERCIAL LIFE Assurance Company of Canada
Sound as the Dominion
HEAD OFFICE: EDMONTON, CANADA

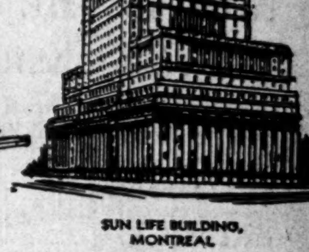
PRICE BROS. BUILDING, QUEBEC

ROYAL YORK HOTEL, TORONTO

CANADIAN NATIONAL HOTEL VANCOUVER



CANADA LIFE BUILDING, TORONTO



SUN LIFE BUILDING, MONTREAL

Built with STEEL

Permanence—Economy—Adaptability Speed of Construction. These are the qualities which Structural Steel provides and the reasons why it was used for the construction of this group of Canadian buildings erected by us. These same qualities, found only in Structural Steel, make it the logical choice for every building and construction job.

Dominion Bridge Company maintains complete engineering and plant facilities, erection equipment and experienced field forces for the erection of all types of steel structures, and for handling practically every need of industry for heavy steel.

DOMINION BRIDGE COMPANY LIMITED
MONTREAL
AMHERST-OTTAWA
TORONTO-WINNIPEG
CALGARY-VANCOUVER

CHARTERED TRUST AND EXECUTOR COMPANY

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Chartered Trust and Executor Company wants to serve you. Remember that when making your Will, or otherwise requiring a trustee to act for you. The best service obtainable—the fees, reasonable.

CHARTERED TRUST AND EXECUTOR COMPANY
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132 St. James St. West, Montreal, Que.

President:
JAMES Y. MURDOCH, K.C.
Vice-Presidents:
W. S. MORDEN, K.C. JOHN J. GIBSON and Gen. Mgr.
Secretary: E. W. McNEILL

MUTUAL RELIEF LIFE ISSUED $4,200,000

Volume Written in 1931 Well Over Last Year's Figure

Issuing new and reinstated insurance in 1931 to the amount of $4,210,730, as compared with $3,283,506, Mutual Relief Life Insurance Co. of Kingston, Ont., finished the year with $22,321,770 of insurance in force, a net increase over the previous year of $1,278,317.

Payments to policyholders during the year totalled $429,725, this comparing with $409,542 for 1930. Death claims amounted to $365,444 as against $355,778. Surrenders totalled $61,609 at which they were about $9,000 heavier than in the previous year. Income exceeded disbursements by $147,879.

Net premium income was approximately $10,000 higher than in 1930 at $592,588, while receipts from interest, dividends and rents were down about $1,700 to $257,779. Net interest earned on the invested assets was 5.59 per cent compared with 5.75 per cent in the preceding year.

Assets Slightly Lower

As at December 31, 1931, assets totalled $5,042,747, slightly lower than the 1930 figure, and these include bonds and debentures to the value of $3,572,481, 48 per cent of which is represented by government and municipal securities. First mortgages at $754,000 are up $41,000 since the previous year, while policy loans were increased from $125,000 to $221.866. A contingency reserve of $25,000 disappeared from the balance sheet, but this being more than offset by a reduction of $60,000 in "borrowed money" (the item now standing at $50,000) a free surplus of $107,355 was shown, which compares with $123,264 at the close of 1930.

The following tabulation indicates the comparative position of the company for the two years.

	1931	1930
Business		
	$	$
New ins. issued	4,210,730	3,283,506
Bus. in force	22,321,770	21,043,453
Paid to p'holders	429,725	409,542
Income		
Net prem. income ...	592,588	582,224
Int., rents, etc.	257,779	259,492
Rate of int. earned .	5.59%	5.75%
Assets, etc.		
Total assets	5,042,747	5,084,257
Bonds & debentures .	3,572,481	3,883,995
Mortgages	754,000	713,000
Policy loans	221,866	124,686
Inv. & cont. res.	....	25,000
Free surplus	107,355	123,264
Policy reserves	4,807,170	4,733,578

Insurance Inklings

D. ARCHIE LIMON, for four years supervisor with The London Life Insurance Co. has been appointed district supervisor of training in the ordinary branch, with headquarters at London under W. H. Robinson, district manager.

A. E. BLISS, of the firm of Bliss and DuMoulin, Hamilton, was elected president of the Hamilton Association of Fire and Casualty Insurance Agents. R. M. ALIWORTH was elected vice-president, and T. J. A. FERGUSSON was re-elected secretary-treasurer.

E. J. McKINNON, for three years district manager at the Border Cities for the Montreal Life Insurance Co. has been transferred to Montreal to assume the duties of district manager there.

W. E. McILROY has been appointed inspector for western Ontario of the General Accident Assurance Co. of Canada, with headquarters at London, Ont.

THE
Western Empire
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

THE
ONTARIO EQUITABLE
LIFE AND ACCIDENT
INSURANCE COMPANY
Head Office — Waterloo, Ont.

Assets (Dec. 31, 1931) $ 8,125,139
Policy Reserves 6,846,054
Insurance in Force ... 51,355,672

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE
INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

NORTHWESTERN MUTUAL
FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $5,010,673.96
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

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Insurance for Buyer and Seller

Seven Life Companies Trying for New Plan Of Disability Cover

Modified Clause May Shortly be Announced by Group

IMPORTANT STEP

Confederation, Crown, London, North American, Excelsior, Dominion and Montreal Included

Seven leading Canadian life insurance companies are now co-operating to produce a new modified disability clause as the next act in a life insurance drama which has been occupying the attention of agency forces and head office officials in the past six or eight months.

The seven companies, The Financial Post learns, are the Confederation Life, the North American Life, the London Life, the Crown Life, the Dominion Life, the Excelsior Life and the Montreal Life. Several meetings have been held by representatives of these companies but as yet no definite decision has been reached. It seems highly probable, however, that these companies will embark, as a result of these deliberations, on a modified monthly income clause with probably the same premium rates as now exist. It seems possible also that the new conditions would limit disability benefits to age 55 and would also limit the period during which the monthly income would persist.

Only Seven Left

If such a plan were to be adopted by these companies it would mark an important step in this disability controversy which came to a head last year when leading American companies dropped this valuable feature of the life insurance contract entirely. Simultaneously practically all other Canadian life companies except the seven mentioned above announced their intention of abandoning this type of contract as of at February 1, except for a premium waiver provision.

A lucid explanation of the situation leading up to this and the present state of affairs from the viewpoint of those companies which have not definitely abandoned the field, is quoted as follows from the "Maple Leaf," monthly bulletin of the Montreal Life.

"The Montreal Life was the first company in Canada to include disability benefits in its policies. The first clause provided for waiver of premiums in the event of total and permanent disability or if such disability occurred before age 60, the payment of the face amount of the policy in 10 annual installments.

"Gradually the disability benefits were liberalized and extended until the climax was reached by the modern premium Waiver and Monthly income clause, with three months total disability recognized as permanent.

Two Bad Years

"Then came the depressing years 1930 and 1931, and disability insurance became almost unemployment insurance. Claims poured in at an alarming rate. Losses piled on losses until the totals were staggering. Stunned by the blow the companies increased rates and reduced benefits. These served not to diminish losses but rather to increase them. We speak now largely of conditions in the United States. The experience in Canada has been much more favorable.

"Finally one United States company after another decided to abandon the field, to eliminate entirely all disability benefits in conjunction with life insurance policies. As the situation stands today possibly two-thirds of all United States life insurance companies have discontinued the granting of disability benefits. The Canadian companies operating in the United States were more or less forced to follow suit. Then the move for the abandonment of disability insurance spread to Canada and is a live issue at the moment. A number of the Canadian companies have decided to discontinue the monthly income benefits, but to retain a premium waiver clause.

Will Probably Continue

"We have considered the subject carefully and while no definite decision has been taken, it appears likely that the Montreal Life will continue to grant disability benefits, with certain modifications. Our experience with disability insurance has not been unfavorable. However there is some concern as to the possibility of an undue proportion of claims as policyholders approach the age of 60. For this reason the new clause will probably limit disability benefits to age 55. There may also be some limitation as to the period during which the monthly income will persist. Those Canadian companies which propose to retain disability insurance are now in treaty, with the idea of adopting uniform rates and benefits. Whenever a decision is taken, due announcement will be made, but until then the Montreal Life will continue on the present basis.

"In our opinion, many of the losses through disability coverage were caused by faulty underwriting methods and cowardice in claim settlements. We hold that it is equally heinous to admit a fraudulent claim as to refuse to recognize a just one. In all our claims we have demanded due and proper proofs of total disability and if such proofs were not sufficient, the claims were refused. We sought not popular favor by agreeing to pay claims that were not just or well founded, but rather to live strictly up to our agreement and expect the other party to do likewise. If the claim was just, it was admitted promptly but if the claim was not based on fact, it was refused.

"That our underwriting and claim settlements were just and reasonable is now well proven and by reason therefor we fear not to continue to grant disability benefits to those entitled thereto. Disability coverage has a place in life insurance. The public has been educated along these lines and expects the life companies to furnish this very necessary protection. Agents have become accustomed to stressing the disability benefits in selling life insurance and it would certainly be a calamity to the agents if this valuable tool were taken away."

Improve Apple Handling Facilities

The Vancouver Board of Harbor Commissioners has under advisement the construction of a refrigerator chamber at one of the board's piers on Burrard Inlet, for the handling of fruits and vegetables, and especially the apple crop of British Columbia.

New General Manager

V. R. SMITH

Newly-appointed general manager and actuary of the Confederation Life Association. Starting as a clerk in the company's actuarial department in 1908, Mr. Smith has risen rapidly in the company's service. He has been actuary of the company since 1917 and assistant general manager since 1929.

More Fire Companies Withdraw from Field

The following companies have ceased to transact business in Canada:

La Salle Fire Insurance Co., having ceased to transact business in Canada, and having reinsured outstanding premiums with St. Paul Fire & Marine Ins. Co. will apply to minister of finance for release on March 26 of securities on deposit.

Cosmopolitan Fire Insurance Co., New York, having ceased to transact business in Canada, has reinsured its liabilities with American Equitable Assurance Co. of N. Y., (licensed in Canada) and will apply for release on March 5 of securities on deposit.

The Mount Royal Assurance Co., in liquidation, ceased to do business in Canada on November 14.

DOMINION LIFE BUSINESS IN FORCE OVER $150,000,000

New Business Issued and Revived Amounted to Nearly $26,000,000

New business issued and revived during 1931, of $25,779,000 as compared with $27,292,417 in 1930 is reported by Dominion Life Assurance Co., of Waterloo, in its 43rd annual report issued last week. The company reports business in force at the end of the year to have topped the $150,000,000 mark as compared with $146,538,000 at the end of 1930.

Total income from all sources was $6,619,187 as against $6,568,765 in 1930 due largely to the fact that a year ago the company showed a profit from the sale of securities amounting to $126,585 in 1930, which item is not available for 1931. Disbursements were $5,027,269 leaving a balance of income over disbursements of $1,491,919 which compares with $2,493,760 in 1930. The most important increase in expenditures was the payment of $1,112,367 in surrender values as compared with $572,403 in 1930.

Bond Holdings Lower

Net ledger assets totalled $23,888,280 as compared with $23,912,235 in 1930, the decrease being due largely to the fact that bonds and debentures held by the company amount to only $5.989,888 as compared with $7,002,300 a year ago, this more than offsetting an increase of $400,000 in mortgages and a $500,000 increase in the amount of money loaned on the company's policies. Interest due and accrued on investments and net premiums deferred and outstanding, totalled $1.582,147 which when added to net ledger assets gives a total figure of $25,470,427.

Among liabilities, total policy and annuity reserves are shown at $20,491.408 as against $18,983,312, while the item "Due on account of investments" has been reduced from $1,350,000 to $675.000. Investment reserve fund of $100,000 has disappeared while total surplus, over and above capital stock of $200,000, is lower at $1.653,425 and compares with $2 210,398 a year ago.

Interest Earnings High

The company reports that the average rate of interest earned on the company's funds during 1931 was 6.24 per cent as compared with 6.66 per cent last year.

Comparative figures from leading items in the company's balance sheet are as follows:

	1931	1930
Business		
	$	$
New bus. issued* ..	25,779,000	27,292,417
Bus. in force	150,319,791	146,538,137
Income		
1st yr. prem. inc. ..	809,276	839,235
Renewal inc.	3,924,788	3,764,445
Int. & rent	1,319,274	1,293,015
Assets, etc.		
Mtges. & sale agreements	12,483,931	12,032,948
Bonds & debs.	5,989,888	7,002,301
Stocks	825,119	893,811
Policy loans	3,801,493	3,274,879
Policy reserves	20,491,408	18,983,312
Surp. (incl. cap. stk.)	1,653,425	2,210,298

* Including revivals.

COMMERCIAL LIFE INCREASES SURPLUS

Business in Force Now Amounts to Slightly Over $10,500,000

New business written of $1,491,155 as compared with $2,058,158 a year ago, is reported by Commercial Life of Edmonton in its annual report for the year ending December 31, 1931. The company now reports business in force of $10,527,083 as compared with $10,821,019 at the end of 1930.

Premium income received during the year increased slightly to $341,909 while total income was lower due to the fact that a year ago the company received nearly $50,000 through the sale of capital stock and premiums thereon. In 1931 only $600 was received in this way.

Total assets are higher at $1,691,140 the most important change being in the increase in bonds and debentures held which are higher by $100,000 at $434,546. Of this total the largest individual item is in school district debentures, at $176,853. First mortgages comprise the largest individual item at nearly $670,000, while loans on policies amount to nearly $270,000. The company holds stocks taken in at cost to the value of $231,000. The company has written off $75,000 from total assets to bring values into line with government valuations.

Surplus has nearly doubled during the year at $38,814 which is exclusive of paid-up capital of $145,252. Policy reserves are considerably higher at $1,343,184. Comparative figures for leading items are as follows:

	1931	1930
Business		
	$	$
New ins. written	1,491,155	2,058,158
Bus. in force	10,527,083	10,820,019
Income		
Premium income	341,909	338,195
Total income	440,266	465,112
Assets, etc.		
Bonds & debentures .	434,546	332,540
Stocks at cost	231,079	205,542
First mortgages	668,944	687,055
Policy loans	269,864	208,095
Total assets*	1,691,140	1,524,305
Surp. (incl. cap. stk.)	38,814	19,525

* After deduction of $75,000 to approximate government valuations in 1931, and $20,000 for similar deduction in 1930.

Current Events in Banking World

SUGGESTS CANADA USE SILVER BASIS FOR NOTE ISSUES

E. L. Stewart Patterson Sees No Reason for Tying Up Gold

That Canada might well consider the immediate adoption of a partial silver basis for her national issue, thus releasing a large amount of gold for international finance is the suggestion put forward by E. L. Stewart Patterson, formerly Eastern Townships supervisor for the Canadian Bank of Commerce and now a writer on Canadian banking subjects. He predicates his proposal upon the enormous demand for gold, in excess of the diminishing production, and the propitiousness of the present time for the acquisition of silver for note-backing and other currency purposes.

The return to either a silver or bimetallic standard, said Mr. Patterson to The Financial Post, has been receiving growing support during the past year and that change in some monetary systems will be formulated before the end of 1932 seems more than possible. It would seem that the gold standard, after a life of less than a hundred years had fallen down badly. All the world today, with the exception of the United States, France, Holland and Switzerland are off the gold standard, and the likelihood of its being generally resumed appears to be getting more remote as time goes on.

Silver Backing For Notes

The plan outlined by Mr. Patterson is that to start with $1 and $2 Dominion notes be issued, these to be secured by dollar-for-dollar silver at current prices, say 3 1/3 ounces to the dollar, redeemable in gold or silver at the option of the government, so that if the price of silver went up over purchase price the silver could be sold for gold.

The silver for this reserve, according to the plan, should be obtained from two sources only, namely, our own mines and in payment for exports. Imports from other sources would have to be prohibited. Since practically the whole of Asia and the greater part of Africa use silver, our willingness to accept silver in payment of goods exported should lead to an expansion in Canada's trade relations. In addition, benefit would accrue to our own mines and labor problem, and finally, the note reserve should eventually realize a handsome profit as soon as silver rises in price.

Excessive Gold Reserve

Even under the existing monetary system a gold reserve of anything in excess of 10 per cent of the national note issue is, in the opinion of Mr. Patterson, wasteful in view of the fact that at the present day ninety per cent of business is conducted by cheques. Notes are only used for pocket money; any surplus over the immediate requirements of the public is deposited for safety and convenience. Big "rolls" are no longer carried as they used to be, and while the amount held in the pockets of the public will show an irreducible minimum, bills outstanding over and above that amount — allowing for seasonal variations—cannot be forced into circulation, nor can it be called in until the public is through with it. Silver backing for the note issue would release a large amount of gold for financing foreign trade.

Bank Chat

The Imperial Bank of Canada announce the following staff changes:

J. H. McCAW, manager at Cobalt, Ont., has been transferred to Toronto.

E. T. CUTTELL, formerly manager at Englehart, to take over the Cobalt branch.

G. WELFORD, formerly manager at Richard's Landing, Ont., becomes manager at Englehart, Ont.

J. T. BEWS, formerly accountant at the New Liskeard branch, to be manager at Richard's Landing.

J. L. KING, manager of the branch of the Bank of Montreal at Coronation, Alta., has been transferred to a similar position at Reston, Man.

What Editors Say Of Banks

A Banking Court of Appeal

Regina Leader-Post — Some harsh statements have been made in recent months in various parts of the country about our banks and our bankers, largely because of the failure of individuals or organizations to obtain credit.

Charges have been made that our banks have refused to loan money on what some persons evidently regarded as perfectly good security. The banks have replied that loans have not been refused where the risk was at all reasonable.

The banks have to be careful of the money entrusted to their care and bankers are entitled to use the best of their business ability to produce the best results for the institutions by which they are employed. That is the way of the world, as at present organized.

However, so much power and so much responsibility has been given to our banks as the custodians of the nation's monetary and credit structure that they are really much more than private business institutions concerned solely with profits. They are semi-public institutions, closely associated with the government in the idea of promoting the well-being of the people.

Because of this it is possible that there should be some sort of court of appeal for the man who believes that in connection with matters of credit he is not receiving a reasonable deal from the banks. No one can force the banks to lend and it is not desirable that there should be such interference with the country's banking, but at the same time some department of the government might make it its business to hear the complaints of those who claim that the banks are not carrying out properly the credit functions in connection with which large powers have been delegated to them by the state. These charges could be investigated and the facts assembled. While it would not be desirable to have such a government department dictate to the banks as to whom credit should be given, the information gathered would be of value to the government and to the country in their relationship toward the banking structure of the nation. The truth would become known.

The operations of such a department of the Federal Government would bring the facts about credit into the open instead of having them, as at present, in a cloud of fog and suspicion.

Bk. of France Gold Holdings Largest in History of Bank

The Bank of France reported an increase of gold holdings for the week ending January 28 of 842,000,000 francs, bringing total holdings as at that date up to 70,629,000,000 francs —the largest in the history of the bank.

Ship Canned Soup for Export

As a result of the success of a shipment of canned chicken soup to Glasgow and Liverpool by the Maritime Co-operative Egg and Poultry Exchange cannery at Saint John recently, a second shipment is now proposed.

CANADA SHIPPED $21,000,000 GOLD IN FOUR MONTHS

Sent to U. S. Despite Favorable Visible Balance

Shipments of gold from Canada to the United States from September 1 to December 30, 1931 had a total value of $20,758,000. This gives an average weekly rate of $1,153,222 per week over the four-month period, though actually there were six weeks in which no shipments were made. Until September the last shipment made was on July 22.

The biggest movement was recorded in the week ending November 4 when $3,600,000 left Canada for the U. S. The week ending December 7 was the only week in the period in which the order was reversed and Canada received gold from the States, $7,000 being transferred.

Invisible Items Responsible

As the balance of "visible" trade between the two countries was favorable to Canada for each month since, and including, June the gold shipments made during the latter half of 1931 must be largely attributed to such "invisible" items as interest payments and premium on New York funds.

Following table, as compiled weekly by the New York Annalist, shows the weekly shipments of gold to the United States:

GOLD MOVEMENT
From Canada to United States

	$		$
Sept. 9 ..	1,995,000	Oct. 28 ..	500,000
" 16 ..	1,000,000	Nov. 4 ..	3,600,000
" 23 ..	1,490,000	Dec. 2 ..	1,593,000
" 30 ..	2,827,000	" 9 ..	1,994,000
Oct. 7 ..	1,512,000	" 23 ..	1,995,000
" 14 ..	926,000		
" 21 ..	1,326,000	Total* ..	20,758,000

*Since Sept. 2.

France's Gold Reserves Rose 30 p.c. During 1931

France reported the greatest increase in monetary stocks of gold during 1931, showing an advance of $600,000,000. Germany had the greatest decline with a loss of $290,000,000, according to figures recently issued by the U. S. Federal Reserve Board. United States' gold holdings declined $135,000,000 and England's $130,000,000. Increases were recorded by Switzerland, $310,000,000; Netherlands, $190,000,000, and Belgium $170,000,000.

At the close of last year monetary gold stocks of the U. S. totalled $4,461,000,000; France, $2,699,000,000; Great Britain, $588,000,000; Switzerland $444,000,000; Netherlands, $361,000,000; Belgium, $355,000,000; Italy, $296,000,000, and Germany $234,000,000.

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The Royal Bank of Canada

3129

Strength - Stability - Service

Assurances In Force (Dec. 31, 1931)...$513,379,937.00
Assets $125,848,128.74
Surplus Funds and Contingency Reserves $12,412,836.25

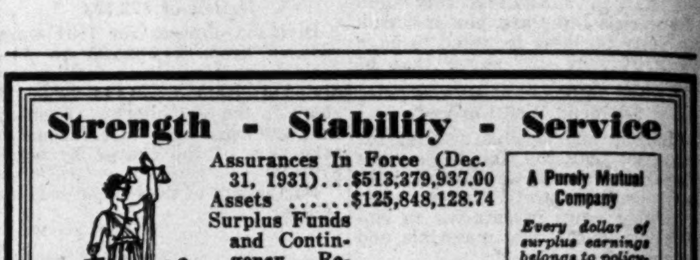
MUTUAL LIFE ASSURANCE COMPANY OF CANADA
Head Office: WATERLOO, ONT.

The Mutual Life of Canada
Established 1869

A Purely Mutual Company

Every dollar of surplus earnings belongs to policyholders and is either actually paid or allotted as cash dividends or held in trust for future distribution. F1

SPEECH *now Flashes*
FROM COAST TO COAST
WHERE STEEL CREPT MILE BY MILE



The TRANS-CANADA TELEPHONE SYSTEM

IN 1885, the last mile of steel was laid, completing the C.P.R., making Confederation a practical reality, linking the East and West in a mighty bid for mutual trade and progress. Today history again pauses to record the still closer welding of West and East by the advent of The Trans-Canada Telephone System.

The combined ability, capital and physical resources of seven major telephone systems have made this great network possible. Over a Dominion wide telephone chain extending 4,263 miles, these seven companies exercise incessant vigilance, working in harmony for the best interests of subscribers, making long distance telephoning more convenient, more reliable, quicker and more direct than ever before in Canadian history.

By means of reciprocal agreements, adequate equipment, standard operating methods and by pooling facilities for engineering, construction, maintenance, and operation, The Trans-Canada Telephone System provides every Canadian with an instantaneous coast to coast long distance service at low cost.

VANCOUVER to
Regina --- $3.25
Winnipeg -- 4.50
Toronto --- 7.75

CALGARY to
Winnipeg - $3.00
Toronto -- 6.25
Montreal -- 7.00

REGINA to
Vancouver - $3.25
Montreal -- 5.50
Saint John - 6.75

WINNIPEG to
Vancouver - $4.50
Calgary --- 3.00
Saint John - 5.50

TORONTO to
Calgary --- $6.25
Regina --- 4.75
Halifax --- 3.50

MONTREAL to
Vancouver - $8.25
Regina --- 5.50
Halifax --- 2.40

SAINT JOHN to
Calgary --- $8.00
Regina -- 6.75
Winnipeg -- 5.50

HALIFAX to
Vancouver $10.00
Toronto -- 3.50
Winnipeg - 6.25

● Day Rates as quoted apply from 4.30 a.m. to 7 p.m. Lower rates apply after 7 p.m.

THE TRANS-CANADA TELEPHONE SYSTEM

ALBERTA GOVERNMENT TELEPHONES
BELL TELEPHONE COMPANY OF CANADA
BRITISH COLUMBIA TELEPHONE CO.
MANITOBA TELEPHONE SYSTEM
MARITIME TELEGRAPH & TELEPHONE CO.
NEW BRUNSWICK TELEPHONE CO.
SASKATCHEWAN GOVERNMENT TELEPHONES
3215

IN THE TWINKLING OF AN EYE

STANDARD STEEL EARNINGS DOWN; CASH IS HIGHER

Covered Preferred Dividends With Margin of $9,509

Substantial reduction in earnings is shown for Standard Steel Construction Co. in the report just issued, although class A preferred dividends were earned and paid and current position of the company was improved. Earnings available for Class A preference dividends is shown at $38,879 as against $89,963 in 1930, and after payment of preference dividends there remained 7 cents per share on the 120,525 shares of no par value common stock as against 51 cents per share in 1930.

While depreciation reserve allowance for the year is not shown, depreciation reserve has been increased by $27,987 in 1931 and was increased by $100,371 in 1930. A reserve of $22,593 has been provided to bring cost of investments to present market value and through this provision the surplus carried forward was reduced to $301,031 from $314,115. The income and surplus account of the company for the past two years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1931 $	1930 $
Net earnings*	38,358	96,830
Other profits	4,089	....
	42,447	96,830
Less: Income tax	2,678	3,284
Fire loss	....	1,793
Life ins. prem.	....	1,790
Corp. tax	890	....
Net profit	38,879	89,963
Less appropriations:		
Pref. dividends	29,370	29,370
Surplus for year	9,509	60,593
Prev. surplus	314,115	246,612
Life insur. value	....	6,910
Less invest. reserve	22,593	....
Bal. carried forward	301,031	314,115

*After deduction of operating costs, depreciation and cost of management.

Liquids are Higher

Current assets of the company amount to $422,401 as compared with $478,914 at the end of 1930 while current liabilities have dropped to $35,998 from $52,956 giving a ratio of current assets to current liabilities of 11.7 to 1, against 9 to 1 in 1930. Cash has been increased to $71,609 from $31,465, while marketable securities at market are shown at $100,301 as compared with securities at cost of $83,017 shown in 1930. Accounts receivable have been reduced to $84,568 from $149,631; cash surrender value of insurance has increased to $8,125 and inventories are down to $157,797 from $205,763.

Chief reduction in current liabilities is in accounts payable which are down to $22,831 from $33,617. Accrued payroll and provision for income tax total $5,825 and dividend on class A preference shares payable was $7,342.

Fixed assets are valued at $639,671 subject to depreciation reserve of $163,103. Investments, not considered as current, are shown at $7,710 and deferred charge to operations amount to $7,132. There remain outstanding 9,790 shares of class A preference stock, carried at $411,180, and 120,525 shares of common stock carried at $165,602. Surplus carried forward is $301,032.

GENERAL STEEL WARES RECORDS OPERATING LOSS

Cut in Overhead Expenses Makes Outlook More Promising

From Our Own Correspondent

MONTREAL. — Further adjustments in inventory and decline in earning power are reflected in the income account and balance sheet of General Steel Wares for 1931.

During the past year the company had an operating loss of $349,406. This compared with an operating profit of $12,538 in 1930. After taking into consideration bond interest, one quarterly dividend on the preferred and further write-offs for inventory losses, the deficit for the year totalled $1,198,655, which was sufficient to wipe out the surplus in the profit and loss balance and set up a deficit of $1,096,023. In the preceding year deficit after all charges amounted to $851,596.

Details of the profit and loss account follow:

	1931 $	1930 $
Oper. profit	*349,406	12,538
Add. loss	†200,562	......
Bond int.	569,936	549,184
Net loss	1,119,905	536,596
Pfd. divids.	78,750	315,000
Deficit	1,198,655	851,596
Prev. surplus	102,631	309,228
‡Transfer	......	645,000
P. & L. bal.	‡1,096,024	102,632

*Net loss.
†Incurred in writing down inventories to market or replacement cost.
‡Deficit.

Inventories Are Reduced

The principal change in the financial position of the company last year was the reduction in inventories. Assets at the end of 1931 totalled $17,730,112, compared to $18,839,206 on December 31, 1930.

Inventories were cut from $4,997,612 to $3,909,400. This reduction was effected through more effective concentration of stocks and the disposal of surpluses. As a result of this action current assets dropped from $6,752,236 to $5,416,673.

Cash in the sinking fund at the end of the year totalled $126,762. Since the close of the year 126,098 of this amount has been disbursed in retirement of first mortgage bonds of a par value of $281,000.

No Depreciation Charge

Additions to plant during the year totalled $104,691, bringing fixed assets of the company up to $12,127,761. These figures do not include depreciation, as nothing has been set aside for this account over the past two years.

Bank Loans Higher

Among current liabilities, the main change is an increase in bank loans from $68,437 to $630,447. Accounts payable show a sharp reduction from $492,842 to $160,423, while the accrued interest on bonds remains about the same.

Further steps have been taken to cut down the funded debt of the company. Bonds of subsidiary companies outstanding have been reduced a further $15,000 to $240,000. The company's own bonds in the hands of the public now total $8,579,000, representing a reduction of $321,000 from the original issue. If consideration is given to the bonds redeemed since the beginning of 1932, the funded debt of the company now stands at $8,398,000.

There is no change in the amount of issued preferred or common stock.

Management Shares Expire

One point of importance is that the three management shares of General Steel Wares become extinct this year. Upon the formation of the company October 17, 1927, three management shares were created to give control of the company for a period of five years. When the 1933 annual meeting is held, both the preferred and common shares will be entitled to determine the management, provided that the former stock continues in arrears.

In discussing the outlook for this year, John C. Newman, president, pointed out that operating expenses have been reduced to the extent of $1,000,000 yearly and this saving should have a noticeable effect on financial returns for 1932.

Currency Forms Subject Of Discussion at Ottawa

The question of stabilizing currencies of the Empire will be brought up at the Imperial conference in July, according to a statement made this week in the House of commons by Hon. Edgar N. Rhodes, new federal minister of finance.

Mr. Rhodes was speaking to a motion of a Liberal member to the effect that the Canadian delegation should recommend to the conference that an Empire unit of currency be adopted, on a basis other than gold with a view to promoting intra-Empire trade. He thought the subject of sufficient importance to be included on the agenda and assured the House that the government would be prepared to discuss it.

B. C. HOLDS SHARE OF WORLD TRADE LUMBER PRODUCTS

But Chinese War Holds Up Shipments to Far East

From Our Own Correspondent

VANCOUVER. — Despite keen competition, British Columbia's lumber exports represented 29 per cent of the total lumber export trade of the world last year, according to figures compiled by the British Columbia Lumber & Shingle Manufacturers' Association.

Much of British Columbia's recent gain in the export trade has been at the expense of mills in Washington and Oregon, where efforts are being made to reduce prices further in an attempt to hold their own with Canada.

Although prices are still depressed, there has been a slight improvement in the general lumber market since the beginning of the year.

Many of the orders received from foreign countries are for lumber cut to certain specifications and for this reason some of them are unacceptable because of the difficulty of disposing of the balance of the log when the required lumber is cut. Special efforts are to be made, however, to meet requirements of the market in the British Isles.

China has been a good outlet for much of the surplus lumber resulting from cutting to these special dimensions, but owing to the hostilities in the Far East several large shipments to China have been held up.

N. B. Commission Buys Coal

The New Brunswick Electric Power Commission has reached an agreement with the Grand Lake coal producers under which the Commission will purchase 20,000 tons of coal for a year and nine months.

HOTEL MAN SEEKS FREEDOM FROM SYNDICATE PACT

Geo. O'Neil Plans Action Against Mt. Royal Group

From Our Own Correspondent

MONTREAL.—George H. O'Neil, of Lewiston Heights, vice-president and general manager of the King Edward Hotel, Toronto, and former president of the Mount Royal Hotel Co., Montreal, has taken preliminary steps in seeking cancellation of a certain syndicate agreement entered into in connection with the Mount Royal Hotel. The first step was the granting of a petition in the bankruptcy court to include as one of the defendants in the case Gordon W. Scott in his capacity as trustee of the bankrupt brokerage firm of McDougall and Cowans.

The action, which is not yet served will also be directed against J. A. Raymond, president of the Mount Royal Hotel, Hon. Walter Mitchell, Ernest R. Decary, W. C. Pitfeild, Vernon Cardy and P. A. Thomson, all directors of the hotel. In his petition O'Neil will ask for the cancellation of a syndicate agreement entered into between himself and the defendants on February 22, 1930. Under the agreement, he points out, Percy Cowans and P. A. Thomson were named purchasing agents for the syndicate.

As part of the agreement it is stated that O'Neil paid a large sum into the syndicate on the understanding that he would be named a director, vice-president and member of the executive committee of the Mount Royal with an annual remuneration of $2,500. The terms of the agreement have not been fulfilled, he claims, and he desires to take action to cancel the contract.

Permission of the court was necessary before McDougall and Cowans could be made a party to the action since the firm is still in bankruptcy.

The action has reference to the time when in March, 1930, a syndicate of Montreal investment bankers obtained control of the Mount Royal through the purchase of the majority of common stock and a substantial amount of the preferred. No public statement was made regarding the price paid though it was stated that an initial payment of $750,000 was made by the purchasers.

Acquisition of control by this group followed the collapse of plans to merge a number of American and Canadian units, including the Mount Royal, of the United Hotels Co. of America chain. The new organization was to be known as the United International Hotels, Inc., and shareholders of the Mount Royal were to receive three and one-half shares of the common shares of the new company for each preferred share held and three quarters of a share of new common for each old common share. The proposal, which resulted in a wide discussion of its merits, eventually fell through in February, 1930, and shares deposited for exchange were returned.

WORLD INSURANCE UP 12 P.C. PER ANNUM

Canada Increases Total by 91 Per Cent in Past Six Years

That life insurance in force in the world has increased by approximately 12 per cent per annum since 1924 is the conclusion reached by a survey of world insurance made recently by the U. S. Department of Commerce. In the same period Canada increased her total by 91 per cent as compared with a 31 per cent increase in Britain and 69 per cent in U.S.A. Latest figures available from all countries show an aggregate volume of insurance in force of $147,000,000 in force at the end of 1929, while 1930 is expected to exceed that total considerably in that out of 22 countries for which later data is available, only 5 show a decrease.

The English-speaking countries of the world now carry 85 per cent of the international life-insurance total, the United States leading by far in volume of business, with $103,146,000,000 in force at the close of 1929. The United Kingdom ranked second, with $11,875,000,000, followed by Canada with $6,713,000,000.

Japan has amassed a total of $4,000,000,000, to occupy fourth place, closely followed by Germany. The total of the former country has increased 1,277 per cent since 1905. Australia, Sweden, France, the Netherlands, and Italy are the other countries now having life insurance in force in excess of a billion dollars.

The amount of insurance per capita throughout the world varies from $2 in India to $843 in the United States (1929). Ranking next to the United States, in order, are Canada, with $640 of life insurance per capita; New Zealand, $358; Australia, $273; the United Kingdom, $266; Sweden, $205; Italy, $152; Norway, $137; and the Netherlands, $123.

The remainder of the countries reported upon have less than $100 of insurance per capita, Brazil, Mexico, and Argentina preceding India at the bottom of the list. It may be added, however, that in those countries now showing the least amount of life insurance per capita forces are at work which promise to produce notable results in the course of the next few years.

Bruck Silk Expansion Report Not Confirmed

From Our Own Correspondent

MONTREAL. — Officials of Bruck Silk Mills Ltd., have nothing to say at present regarding the report that the company has acquired Silk Mills of Canada at Actonvale. It is expected, however, that a statement will be forthcoming shortly.

Operations of Bruck Silk are understood to have been maintained at a satisfactory level though low prices for silk goods do not make for much margin of profit. It will be remembered in the last fiscal year ended October 31, 1931, the company produced about 50 per cent greater volume of yard goods than in the preceding period but net profits were equal to but 8 cents a share on the common stock. This compared with a net deficit of $34,045 reported in the previous year.

Huron & Erie Holds 68th Annual Meeting

Gratifying Financial Statement Reviewed by Chairman Meredith

A larger group of shareholders than usual attended the 68th annual general meeting of the Huron & Erie Mortgage Corporation on Wednesday afternoon, February 10, this being the first occasion for holding an annual meeting in the board room of the corporation's new head office building in London, Ont.

T. G. Meredith, K.C., chairman of the board, preparatory to moving the adoption of the financial statement, announced that net profits for the year were $533,459. "This amount," he said, "enabled the directors to declare the usual dividends, to pay the tax bills of $82,969, to appropriate $50,000 to reduce the office premises account, and, in addition, to carry forward an increased amount as undivided profits.

"This total of net profits has been realized after paying all interest charges on borrowed capital, expenses of management, and after meeting the entire cost of the furniture with which the Huron & Erie and the Canada Trust Company in this building were equipped during the past year. The cost of the furniture, which includes the installation of vault filing equipment, exceeded $63,000. You will, therefore, realize that without this expenditure the net profits for the year would have exceeded those of the year 1930.

Burdensome Tax Levies

"You have no doubt noticed the increase in the amount of taxes paid to the Dominion of Canada during the year. Under legislation enacted in 1931 an additional tax of two per cent was imposed on corporation profits, making a total in all of 10 per cent. This added levy was made not only upon the earnings of the year 1931, but was made retroactive, and applied to the profits of the year 1930, and accounts for much of the increase in the taxes shown in the report. The ever-increasing taxation by Dominion, provincial and municipal governments creates a heavy burden upon the corporation. Out of the 1931 profits of the Huron & Erie and the Canada Trust Company it was necessary to appropriate more than $106,000 for the purpose of meeting tax bills. This amount represents more than two per cent of the paid-up capital stock of the Huron & Erie.

Ample Provision for Depreciation and Losses

"There was set aside out of the past year's net profits the sum of $50,000 to reduce the total amount at which our various office premises are carried in our books.

"Following the practice of former years, all losses incurred during 1931 were met out of the earnings of the year. In addition to this, we were able to substantially increase our internal reserve account. This account exists for the purpose of providing for contingencies, and has been increased from year to year for some years past.

Subsidiary Company is Valuable Asset

"May I here draw your attention to a further asset possessed by the Huron & Erie in its investment in the capital stock of the Canada Trust Company. From the statement before you it will be seen that these shares appear in our books at $1,560,485, whereas the value of the stock, computed on the basis of the present reserve fund of the Canada Trust Company is $1,805,045.

Borrowings Continue at Satisfactory Level

"The volume of business entrusted to the care of the Huron & Erie in the debenture and savings departments has continued at a satisfactory level. Because of unemployment many depositors were obliged to draw upon their savings accounts throughout the year, and the appeal of the Dominion Government last November for subscriptions to the National Service Loan caused further withdrawals. The outstanding debentures of the Peoples Loan and Savings Corporation were incorporated in our books early in January, 1931, and the addition of these sums forms a large portion of the increase shown in the Canadian debenture department.

"The total of our mortgage investments shows a slight decline during the past year.

"Following a long-standing rule, your directors require borrowers to make yearly or half-yearly payments on account of principal, in addition to their interest payments. This practice has been found to be very satisfactory.

"Your directors desire to acknowledge, with gratitude, the aid rendered the corporation during the year by our various advisory committees at Toronto, Hamilton, Winnipeg, Victoria and St. Thomas. We have been fortunate in securing the services of two prominent business men of the City of Winnipeg during the year—Mr. John McEachern and Mr. W. Sanford Evans—who have joined the advisory committee of our Manitoba branch.

"The clouds of financial depression are still hanging low over the world, but the clouds will break, and the sun of returning prosperity will appear, and none of us will be the worse for having learned the lesson of economy."

Major-General the Honorable S. C. Mewburn, K.C., C.M.G., vice-president, in seconding the motion for the adoption of the report, paid tribute to the high standing of Canada's financial institutions.

Canada's Financial Institutions Met the Test

"During the last few weeks," he said, "annual statements of our banks, insurance companies, mortgage and trust companies have been presented to the public, and I think we should all be proud and feel gratified at the strength and stability of our financial institutions which have stood up against all the stress and strain that have been put upon them without any loss to depositors, policyholders or shareholders. These institutions, among which the Huron & Erie has played a great part in the upbuilding and stability of Canada, have rendered a tremendous service to our country, and are prepared to continue this service in the years to come."

Quoting Mr. Paul Bilkey (editor, Montreal Gazette), General Mewburn said: "Those who look back upon the year 1931 for the purpose of isolating events and business trends which may be regarded as affording grounds for hope of better conditions in the immediate future will find themselves under the necessity of being thankful for small mercies, if they are to be thankful at all. It has been a blue year throughout the world, and if there are to be found here and there at the close of the twelvemonth some evidences of economic improvement, such evidences are far between and more or less uncertain.

"But having regard to all that has been proclaimed," the general said, "I honestly think Canada has been in a more favorable position and suffered less than other countries in the present crisis, and few will reach strength and stability more quickly than Canada.

Usual Dividend Maintained

"It must be gratifying to you that your directors are able to present a statement such as you have before you today showing the stability and strength of the corporation and realizing that the profits during the year 1931 were sufficient to maintain our usual dividend during the period under review.

"We are fortunate in having, and I wish to pay tribute to, the very capable and efficient staff that comprises the Huron & Erie family from the general manager down through all ranks. They are imbued with high ideals. Their responsibility is heavy and they are impressed with the necessity of urgent economy, and your directors are having the greatest cooperation and support from every employee."

The following directors were elected for the ensuing year: T. G. Meredith, K.C., chairman of the board; Hume Cronyn, president; Maj.-Gen., the Hon. S. C. Mewburn, K.C., C.M.G., vice-president; G. H. Belton, V. P. Cronyn, H. E. Gates, N. R. Howden, Col. Ibbotson Leonard, D.S.O., and M. Aylsworth.

YUKON TERRITORIE
BRITISH COLUMBIA
VICTORIA
VANCOUVER
ALBERTA
EDMONTON
CALGARY
SASK.
SASKATOON
REGINA
MANITOBA
WINNIPEG
ONTARIO
NORTH BAY
OTTAWA
QUEBEC
MONTREAL
THREE RIVERS
SHERBROOKE
LABRADOR
NFLD.
ST. JOHNS
N.B.
N.S.
CHARLOTTETOWN
HALIFAX
ORILLIA
PETERBORO
OWEN SD.
WATERLOO
TORONTO
HAMILTON
LONDON
WINDSOR
MICH.
LANSING
DETROIT

ONE HUNDRED & FIFTY MILLIONS OF INSURANCE IN FORCE IN THIS STRONG CANADIAN COMPANY

FORTY-THIRD Annual Statement

SHOWS SATISFACTORY PROGRESS AND UNIMPAIRED STRENGTH

Highlights of the Annual Report

Insurance in Force
Over $150,000,000

Business Issued and Revived
Over $25,000,000

Assets—$25,470,427

Excess of Income Over
Disbursements $1,491,919

Payments to Policyholders
and Beneficiaries
Over $3,000,000

FORD S. KUMPF—Waterloo *President*
EDWARD F. SEAGRAM—Waterloo *Vice-President*
GEO. D. FORBES—Hespeler *Vice-President*
GEO. A. DOBBIE—Galt *Vice-President*

ABSTRACT OF 43rd ANNUAL STATEMENT

Policies issued and revived	$ 25,779,000
Policies in force	150,319,791
Payments to policyholders and beneficiaries	3,013,473
Premium Income	4,734,065
Total Income	6,519,188
Excess of Income over Disbursements	1,491,919
Total Assets	25,470,427
Policy and Annuity Reserves	20,491,408
Rate of Interest	6.24%

COMPARATIVE FIGURES

	INSURANCE IN FORCE	BUSINESS ISSUED AND REVIVED
1891	$ 843,000	$ 402,000
1911	$ 12,230,657	$ 2,471,743
1931	$150,319,791	$25,779,000

HOW FUNDS ARE INVESTED

	%
First Mortgages	49.01
Industrial Bonds	9.35
Dominion, Provincial and Foreign Government Bonds, City, Town and School Debentures	6.63
Public Utilities	3.48
Real Estate Bonds	2.50
Railway and Steamship Bonds	1.56
Preferred Stocks	.75
Common Stocks	2.49
Policy Loans	14.93
Real Estate, including Head Office Building	2.98
Cash on hand	.11
Interest accrued and overdue	2.63
Outstanding and Deferred Premiums	3.58

Earned Rate of Interest 6.24%

Copy of Complete Report Mailed on Request.

Branch Offices and Representation in Every Important Centre Throughout the Dominion

ST. JOHN'S, NFLD.
HALIFAX, N.S.
ST. JOHN, N.B.
CHARLOTTETOWN, P.E.I.
QUEBEC, P.Q.
SHERBROOKE, QUE.
THREE RIVERS, QUE.
MONTREAL, QUE.
OTTAWA, ONT.
PETERBORO, ONT.
TORONTO, ONT.
ORILLIA, ONT.
OWEN SOUND, ONT.
NORTH BAY, ONT.
HAMILTON, ONT.
WATERLOO, ONT.
LONDON, ONT.
WINDSOR, ONT.
WINNIPEG, MAN.
BRANDON, MAN.
SASKATOON, SASK.
SWIFT CURRENT, SASK.
REGINA, SASK.
MOOSE JAW, SASK.
CALGARY, ALTA.
EDMONTON, ALTA.
VANCOUVER, B.C.
VICTORIA, B.C.
DETROIT, MICH.
LANSING, MICH.
KINGSTON, JAMAICA, B.W.I.

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE WATERLOO, ONT
1889 TO 1932

DIVIDEND NOTICES

Windsor Hotel Limited

Preferred Stock Dividend No. 17

Notice is hereby given that a dividend of one and five-eighths per cent (1⅝%) has been declared on the 6½% Cumulative Preferred Stock of WINDSOR HOTEL LIMITED for the quarter ending February 29th, 1932, payable on March 1st, 1932, to shareholders of record February 15th, 1932.

By Order of the Board,
R. SMITH,
Secretary.
Montreal, February 8th, 1932.

Lake Shore Mines, Limited

(No Personal Liability)

DIVIDEND NO. 48

NOTICE is hereby given that a quarterly dividend of fifty per cent., on the issued capital stock of the Company, will be paid on the fifteenth day of March, 1932, to Shareholders of record at the close of business on the first day of March, 1932.

By order of the Board.
KIRKLAND SECURITIES, LIMITED,
Secretary.
Dated at Kirkland Lake, Ontario,
February 15th, 1932.

SISCOE GOLD MINES

LIMITED

DIVIDEND NOTICE

NOTICE is hereby given than an interim dividend of four (4c) cents per share on the issued Capital Stock of the Company has been declared, payable March 31, 1932, to shareholders of record at the close of business March 21, 1932. Stock Transfer Books of the Company will be closed from March 22 to March 30 inclusive.

By Order of the Board,
H. E. GREEN,
Secretary-Treasurer.
Montreal, February 9th, 1932.

The Canadian Bank of Commerce

Dividend No. 180

Notice is hereby given that a dividend of Three per cent on the paid-up capital stock of this Bank has been declared for the quarter ending 29th February, 1932, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st March next, to shareholders of record at the close of business on the 30th day of January, 1932. The Transfer Books will not be closed.

By Order of the Board,
S. H. LOGAN,
General Manager.
Toronto, 22nd January, 1932.

MEXICO TRAMWAYS COMPANY

General Consolidated First Mortgage 50-Year 5% Gold Bonds

NOTICE IS HEREBY GIVEN that on and after 1st March, 1932, Coupon No. 38, dated 1st September, 1925, detached from the above Bonds, will be paid at the Bank of Montreal, Toronto, Montreal or London, England, or at the Agency of the Bank of Montreal, New York, at the holder's option.

DATED at Toronto this 17th day of February, 1932.

MEXICO TRAMWAYS COMPANY,
R. H. MERRY, Secretary.

The Simcoe Tobacco Plantations Limited

Notice is hereby given that a dividend of seven per cent (7%) per annum for the year ending February 29th, 1932, has been declared upon the cumulative, redeemable, preference stock of the Company, payable March 1st, 1932, to Shareholders of record at the close of business on February 15th, 1932.

By Order of the Board,
T. J. HANNIGAN,
Secretary.

Canada Iron Foundries Limited

Dividend Notice

Notice is hereby given that a Dividend of 3% on the Preferred and 1½% on the Common Shares of this Company has been declared for the half year ended December 31st, 1931, payable March 15th, 1932, to Holders of record February 29th, 1932.

By order of the Board.
M. S. GROGAN,
Secretary-Treasurer.
Dated at Montreal,
February 11th, 1932.

The Bank of Nova Scotia

Dividend No. 249

Notice is hereby given that a Dividend of four per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of March 16th, 1932, and that the same will be payable on and after Friday, the first day of April next, at any of the offices of the Bank in Canada.

By order of the Board.
J. A. McLEOD,
General Manager.
Halifax, N.S., February 9th, 1932.

BISCUIT COMPANIES MAKE BIG CHANGES IN WESTERN SET-UP

Christie Brown Opens $1,000,000 Plant—Weston Buys Independent

Changes of great moment for future business of biscuit companies in Canada have recently been made at a cost of $1,000,000. A fine new plant was opened in Winnipeg by Christie, Brown & Company on Monday, February 15. In Western Canada, Canada Biscuit Company has already closed down its plant at Edmonton, and has closed the Perrin plant at London and has made a large number of economies in the new plant to concentrate operations in its larger factories which, it is felt, will be able to supply its large clientele throughout Canada to advantage.

George Weston Company, through one of its subsidiaries recently obtained control of the Independent Biscuit Company of Calgary and is going after Western business through that plant.

The new plant of the Christie, Brown & Company embodies the latest English ideas for an automatic baking and cooling plant. On one floor a complete bakery in itself combines the cutting, baking and cooling process in a continuous operation, receiving the dough at one end and delivering the finished biscuits and cookies to the packers ready to be enclosed and sealed in carton containers. The machinery came from England. Wheat from Western Canada will be used in the manufacture of the biscuits.

The new plant cost about $1,000,000. The company also has branch warehouses at Montreal, Quebec, Saint John, Halifax, Ottawa, North Bay, Hamilton, London, Windsor, Regina, Calgary and Vancouver.

Christie, Brown is putting out a new package of shortbread biscuits with cellophane wrapping at the top so that the customers can see the biscuits while keeping the air and moisture out.

Bonter Named President

From Our Own Correspondent

MONTREAL—C. C. Bonter, of Canada Steamship Lines, has been reelected president of the American Passenger Water Lines Association. Mr. Bonter is also president of the Montreal Traffic Club.

DIVIDEND NOTICES

P.T. LEGARÉ

LIMITED

DIVIDEND NOTICE

The regular 1¾% quarterly dividend on the 7% Preferred Stock of this Company has been declared for the quarter ending February 29th, 1932, payable on the 1st day of March, 1932, to shareholders of record at the close of business the 15th day of February, 1932.

By order of the Board.
P. C. FALARDEAU,
Secretary-Treasurer.
Quebec, February 13th, 1932.

The Bank of Toronto

Dividend No. 202

Notice is hereby given that a Dividend of Three per cent upon the Paid-Up Capital stock of this Bank has been declared for the current quarter, and the same will be payable at the bank and its branches, on and after the first day of March next, to shareholders of record on February fifteenth, 1932.

By Order of the Board.
H. B. HENWOOD,
General Manager.
Toronto, January 13th, 1932.

DIVIDEND No. 18

HIRAM WALKER-GOODERHAM & WORTS LIMITED

Controlling and Operating
Hiram Walker & Sons, Limited
Gooderham & Worts, Limited
Distillers & Bottlers in Bond

NOTICE is hereby given that quarterly dividend (No. 18) of six and a quarter (6¼c) cents a share has been declared on the outstanding no par value capital stock of this Company.

This dividend is payable (Tuesday) March 15, 1932, to shareholders of record at close of business (Monday) February 22.

By order of the Board,
FLETCHER RUARK,
Secretary and Treasurer
Walkerville, Can., February 12, 1932.

NOTICES

GENERAL TRUST OF CANADA

THE ANNUAL GENERAL MEETING

of the Preferred and Common Shareholders of General Trust of Canada to receive the Report of the Board of Directors of the Company; proceed to the Election of the Directors, and consider all other business that may properly come before the meeting, will be held at the Head Office of the Company, at Montreal, 112 St. James Street West, 5th Floor, on Friday, the Nineteenth day of February, 1932, at noon.

Preferred Shareholders are invited to attend the Meeting, but Common Shareholders alone are entitled to vote.

By Order of the Board of Directors.
RENE MORIN, Secretary.
Montreal, February 5th, 1932.

DEBENTURES

TENDERS FOR DEBENTURES

Sealed tenders, addressed to the under-signed and marked "Tenders for Debentures No. 1," will be received up to twelve o'clock noon on Saturday, February 20th, 1932, for the purchase of $65,000 (sixty-five thousand dollars) County of Peel debentures bearing six per cent interest and payable in fifteen equal annual instalments as to principal and interest, issued under authority of bye-law 764 to pay fifty per cent of the cost of certain roads and bridges within the County of Peel for the year 1931.

The County has requested Messrs. Long & Daly of Toronto to furnish it with a legal opinion upon these debentures which will be furnished to the purchaser of the debentures at the expense of the County, if and when issued.

The lowest or any tender not necessarily accepted.

DAVID WILSON.
County Clerk, Brampton, Ont.
Dated Feby. 9/1932

TENDERS FOR DEBENTURES

Sealed tenders, addressed to the under-signed and marked "Tenders for Debentures No. 2," will be received up to twelve o'clock noon on Saturday, February 20th, 1932, for the purchase of $57,000 (fifty seven thousand dollars) County of Peel debentures bearing six per cent interest and payable in fifteen equal annual instalments as to principal and interest, issued under authority of bye-law 759 to pay twenty per cent of the cost of construction of certain highways by the Province of Ontario within the County of Peel for the years 1930 and 1931.

The County has requested Messrs. Long & Daly of Toronto to furnish it with a legal opinion upon these debentures which will be furnished to the purchaser of the debentures at the expense of the County, if and when issued.

The lowest or any tender not necessarily accepted.

DAVID WILSON,
County Clerk, Brampton, Ont.
Dated Feby. 9/1932

Reorganization Plans Fairhall Cos. Discussed

Kitchener-Waterloo Shareholders Think Sufficient Consideration Not Given to Preferred Holders—Suggest Promoters Should Share Management

From Our Own Correspondent

KITCHENER.—Kitchener and Waterloo shareholders of various Fairhall companies, that is, Diversified Standard Securities, Second Diversified Standard Securities and Third Diversified Standard Securities, proved somewhat critical of the plans for reorganization into one company when meeting this week with an executive member of the company who explained the reasons for suggesting reorganization.

Criticism mainly turned on the proposal for changing a cumulative preferred stock into a non-cumulative preferred stock. The necessity of reducing the number of shares outstanding is not contested in view of the shrinkage in equities back of the stock and the lower earnings but it is felt that dropping the preferred cumulative provision is all to the advantage of founders' shares which will still continue to control the company. Shareholders objected that these shares represented very little expenditure of money by the promoters of the various companies and that as management by the latter to date had not been productive promoters should not expect the position of their stock to be improved by this method.

Field Was Widened

Contention by promoters that various trust agreements had proved a handicap on the company's progress was met by the assertion by various shareholders that they were led to invest because it was urged that these various trust agreements gave a high degree of security. Many of them also were led to invest because the companies in the first place were restrained to Standard Oil Company stocks and they did not look with favor on the later decision to widen the field so that all kinds of stock could be bought.

There was also a feeling that some provision should be made by which preferred shareholders, who provided most of the money for operations of the company, should be given some share in the management of the company so that they could rely on their interests being properly handled. Proposals for more frequent reports as to earnings and net value of stocks were approved, but shareholders decided that they wanted changes in the plan which would protect their interests more fully before being willing to accept it.

The representative of the company was also asked if the Kitchener-Waterloo group could get a list of preferred shareholders in case it was desired to find out the feeling of shareholders generally as to whether common action should be taken. The answer was somewhat dubious: it could be done but at considerable expense. It was promised that consideration would be given to various points advanced though no promises were given.

Minimum Prices Doomed As Buying and Selling Take Underground Route

Montreal Stock Exchange Committee is Obstacle to Free Trading

President Luther and the Governing Committee of the Montreal Stock Exchange at a secret ballot of members on February 12 were given a vote of confidence in their administration of exchange affairs. The extraordinary situation which has arisen as a result of the policy of maintaining minimum prices on some of the most important stocks in Canada is responsible for a vote of confidence being thought necessary. Despite that vote many important members of the Exchange, as well as most thoughtful men with financial experience, are opposed in principle to the policy now being followed which is a negation of all that the exchange is supposed to stand for.

Obstinate as has been the opposition to the removal of minimum prices there is evidence that it is breaking down. The Montreal Curb has removed the minimums on all stocks in which it trades, the Toronto Stock Exchange is practically clear except for stocks whose primary market has always been Montreal and the Montreal Stock Exchange began the present week with sixteen additional free stocks. Of the 61 stocks with minimum prices below which trading is not permitted, nearly twenty have had their minimums revised downwards. It was especially heartening on February 15 to see Montreal Stock Exchange remove the minimums from stocks like Canada Cement preferred and common, Canadian Car & Foundry common and preferred and Gypsum Lime & Alabastine.

Abdicating Leadership

But so long as Montreal Stock Exchange insists on maintaining minimum prices on Bell Telephone, Montreal Power, Ogilvie common, Power Corp., Price Bros. common and preferred, Quebec Power, Steel of Canada and Shawinigan it has voluntarily abdicated the high place it always held in the past in the leadership of Canadian exchanges. These stocks have been so popular that no body could hope for a very long time to maintain minimum prices on them; over-the-counter trading outside the exchanges was bound to develop. It became quite active for a time until influential pressure was brought to bear to extinguish it, but the demand for a market was too strong and trading on the street is once again growing in volume.

Those who defend the policy adopted by a group in control of the Montreal Stock Exchange say that these men must know better than their critics can possibly know the seriousness of the situation which they are trying to defend with minimum prices. That may be, but it is also true that if minimum prices had been abandoned before September ended in 1931 the large speculative accounts, which are being defended, would have been sold out and the clients would have saved money. As things stand, the maintenance of minimum prices can seem to most investors only a crazy gamble that business conditions will improve shortly and so send market prices up to an extent that would prevent loss.

Inviting Trouble

The unwillingness to take losses is natural as is the hope that some lucky turn of events will change the picture but to elevate a policy on these rather untrustworthy human characteristics simply invites trouble. Arbitrarily to place a number of the most popular stocks in Canada in the minimum price list must have made matters very difficult for many Canadians to whom marketability of these stocks was the principal characteristic which induced purchase.

Surely there have been enough securities which have gone into the category of frozen assets by natural means without adding to the list stocks of companies whose earnings and assets and financial strength make a lively demand at some price a certainty. Every addition to the free list, every drop in the minimum price fixed are steps in the direction of greater liquidity of Canadian assets and therefore to greater confidence. The longer the return to a free market is delayed the more difficult is the journey.

The group freed on February 15 includes Bruce Silk Mills, Canada Cement common and preferred, Canada Forgings "A," Canada Steamships preferred, Canadian Car & Foundry common and preferred, Canadian Celanese common, Donnacona Paper common, Enamel & Heating Products, Gypsum, Lime & Alabastine, Hamilton Bridge common, International Power common, Lake of the Woods preferred, Ontario Steel Products, and Wabasso Cotton.

MOTOR TRANSPORT NOW PAYS 74 P. C. OF HIGHWAY COSTS

So Says Automotive Transport Assoc. Before Commission

Presenting the case of the Automotive Transport Association of Ontario before the Royal Commission on Railway and Transportation in Ottawa, M J. Patton pointed out that statistics revealed that motor transportation in Canada is paying 74.1 per cent of the costs of construction and maintenance of highways. As taxation increases and highway construction slows down this percentage will undoubtedly become heavier.

Answering the criticism that motor vehicle traffic is unduly favored by governments, Mr Patton, stated that governments have always aided transportation in all its forms, railways and water-borne transportation having been the chief beneficiaries under the policy. Railways had received aid equivalent to $42,458 per mile, while our expensive canal system was provided free of charge. A fair proportion of highway costs chargeable to actual direct users was held to be two-thirds.

Registration statistics show that only 13.3 per cent of all motor vehicles registered in Canada are trucks. In Ontario the proportion is 12.5 per cent, yet 26.2 per cent of revenue collected by the province, exclusive of the gasoline tax, is paid by trucks. The average truck will pay over $200 a year in gasoline taxes alone.

Contending that the motor truck is not the serious competitor of the railway that many think it is, Mr. Patton showed that in 1930 the total freight moved by all classes of motor trucks was approximately 2,800,000 tons, compared with 115,230,000 tons moved by railways in the same period, or approximately 2.37 per cent.

The arguments laid before the Royal Commission are summarized thus:

The motor truck has amply demonstrated it is performing a necessary service in short haul and less-than-carload freight transportation in a manner and at a price at which the railways cannot give such service; it is not only paying its share of highway costs but is bearing a higher proportion of them than other motor vehicles except 'buses.

Trucks are not more destructive to pavements than other motor traffic; climate is the chief enemy of our pavements, which would have to be built as thick as at present even if no trucks whatever made use of them.

The difficulties the railways are meeting are due to over-building and defects in administrative policy.

Regulation of motor truck freight rates by provincial authorities is desirable to eliminate discrimination as between shippers and localities and to improve service.

Co-ordination of rail and more truck services could and should be effected with benefit to the public and to both these agencies of transportation.

Complete Alberta Potteries Plant

The plant of Alberta Potteries Limited at Redcliffe is nearly ready for operation and the company expects to go into production shortly, using as raw material for its dinner ware and other products a combination of Saskatchewan and Manitoba clays. These products are primarily for western use.

WATERLOO TRUST RECORDS GAINS IN ALL BRANCHES

Earnings for Year Equivalent to 10 Per Cent on Capital

Net profits after meeting taxes and all other expenses, of $112,018 as compared with $132,189 a year ago were shown by Waterloo Trust Co. in its 19th annual report presented to shareholders this week. The 1931 profits were equivalent to 10 per cent on the company's paid up capital which compares with 12.2 per cent a year ago.

After paying usual dividends of 7 per cent the company wrote off $50,000 as investment reserve and carried forward a balance in profit and loss of $11,586. Comparative statements for the past two years follow:

Profit and Loss Account
Years Ended Dec. 31

	1931	1930
	$	$
Profits*	112,018	132,189
Less: Income tax	11,956	9,425
Net profits	100,062	122,764
Less: Dividends	70,000	70,000
Invest. reserve	30,000	......
Trans. to reserve	......	50,000
W/o premises	......	2,100
Surplus for year	62	664
Prev. surplus	11,524	10,860
Bal. carr. for'd.	11,586	11,524
Earning Rate and Dividend Record:		
Earned	10%	12.2%
Paid	7%	7%

*After providing for interest on deposits, and expenses of management, etc.

Analysis of the company's balance sheet reveals progress made in all departments during the year with assets now reaching the new high total of $12,410,082 as compared with $11,331,000 a year ago.

Guaranteed Trusts Increase

Guaranteed trust account continues to form the bulk of the company's assets and now stands at $7,883,503 against $7,503,000 at the end of 1930. Of this total mortgages comprise $5,253,655 and interest due and accrued against these is actually lower than a year ago at $109,295. A new item "demand loans against securities" appears for the first time at $167,794. The company reports it now has 20,060 depositors in its four branches at Kitchener, Waterloo, Galt and Preston with deposits of $7,883,000 to their credit of which $3,385,615 are guaranteed investment receipts.

In capital account which stands at $1,971,585 against $1,496,000 a year ago, the company has made a substantial increase in its holdings of government bonds, this item now standing at $1,096,434 as compared with $475,671 a year ago. Of this total, $600,000 is in bonds and debentures other than provincial and municipals. A new item namely $225,600 of provincial and provincial guaranteed bonds appears here for the first time. Demand loans against securities are lower at $330.145 in this account, while on the liabilities side of capital account appears another new item $475,000 being a loan on account of National Service bonds.

Mortgages Analyzed

Estates, trusts and agency account now totals $2,554,993 of which $1,784,000 is the inventory value of unrealized estate assets and $746,000 is trust funds for investments. Commenting on the company's investments, C. M. Bowman, vice-president of the company, in seconding the company's annual report, said:

"We have recently been making an analysis of the company's mortgage investments, and it is doubtful if any investing institution in the country can present a stronger position with respect to the security of its mortgages than that of our company. In the capital and guaranteed investment accounts, the company held at the end of the year mortgages totalling $5,420,146. This total was distributed as follows, Kitchener and Waterloo, Galt and Preston, including a few local farm loans, $2,075,317 or 38.79 per cent of the total; Toronto mortgages totalled $1,856,555, or a percentage of 34.25 of all loans; Montreal loans totalled $836,250, or a percentage of 15.43; Hamilton, $104,114, representing 1.92 per cent; our Western urban loans, of which $268,000 are in Winnipeg, totalled $293,859, or a figure of 5.42 per cent of all mortgages; the balance the company's mortgages of $254,049, representing a figure of 4.69 per cent of the total, are in Western farm loans.

"An interesting feature is that in connection with the company's urban mortgages, representing over 95 per cent of the total, interest arrears at the present time total only slightly more than one-fifth of one per cent of the amount. In the great majority of cases, all interest payments, as well as maturing principal installments, have been met. Our total of 1,539 urban loans have been carefully selected, and I feel that we should not experience any losses with them. Our loans are made for very moderate amounts against reasonable valuations having in view the need of providing for any lowering of realty values. With respect to the company's Western farm loans which represent a total of 4.69 per cent, we will probably, like other institutions, have to stand a few losses here, but special reserves have been set up in anticipation of them."

EARNINGS MADE BY POWER CORP. SHOW SOME DROP

Report Covers Last Half of 1931—Two Subsidiaries Improve

Net revenue of Power Corp. for the last half of 1931 is officially stated to have been $839,000 as against $1,139,000 for the same period of 1930. Gross revenue of $1,050,000 compares with $1,385,000 in the comparable period of 1930, while operating expenses and taxes dropped from $246.000 to $211,000. Reduction in interest and dividends on securities held by the company caused the decline of $300,000 in net revenue for the half year.

Market value of the company's assets are shown at $30,000,000 as of December 31, 1931, which is equal to $20 per share on common stock, after deducting company's debentures and preferred stock at par value. The depreciation is mainly from decline in the following utility company stocks: B. C. Power "A" and "B." Shawinigan Water & Power Co., Brazilian Traction, Winnipeg Electric preferred and common and Foreign Power Securities Corp.

Earnings of Canada Power Northern Corp. are expected to show some increase as a result of power output increasing 14 per cent in 1931. In the last quarter of 1931 Southern Canada Power Co. output also showed an increase over the same period of 1930.

ANOTHER DEFICIT LOOMS ON COAST THO' TAXES RAISED

From Our Own Correspondent

VANCOUVER.—Even with a slight increase in taxes British Columbia will have difficulty in balancing her budget this year, according to Hon. J. W. Jones, Minister of Finance. Although last year the minister announced that the long series of annual deficits must cease, he was now convinced that it would be practically impossible to make the year's revenue offset expenditure.

The Victoria Trust & Savings Company

THIRTY-SIXTH ANNUAL MEETING

The directors of the Company have pleasure in submitting herewith the Thirty-sixth Annual Report for the year ending December 31st, 1931, duly audited.

The net earnings for the year after deducting interest paid, cost of management, etc., amounted to $130,284.37. Adding to this the balance in Profit and Loss Account and premium on 100 shares of Capital Stock sold during the year, gives a total for distribution of $161,844.46. Out of this $80,428.10 has been paid in Dividends, $50,000.00 has been transferred to Investment Reserve, $10,000.00 to Reserve Fund, $9,000.00 reserved for Federal Taxes 1932, $2,000.00 has been written off Office Premises, and the balance of $10,416.36 carried forward.

While reports of other Institutions almost without exception show decreases in assets and business, we are able to close the year with a small increase in assets and a very small decrease in net earnings, a result which under existing conditions must be considered highly satisfactory. While we had not intended to increase the Capital Stock at this time, we have during the year acceded to the request of an important customer who wished to purchase 100 shares by issuing that amount to him at the price of $190.00 per share. In view of the continued unsettled conditions in general business, and in view also of the fact that our Reserve Fund had already reached parity with Capital, we have transferred most of the balance of profits after providing for Dividends, to an Investment Reserve Account, thereby providing additional security to our Depositors and Shareholders and strictly adhering to the conservative policy which has always marked the action of your Directors.

Our Estates Department has again shown a large increase in business and earnings, and in addition to the regular Estates business we have been able through this Department to act as Assignee in quite a number of cases, thereby providing a needed service to bankrupts, and at the same time earning a substantial sum in fees.

In conclusion I desire to congratulate the shareholders on the fact, that having passed through the greatest depression on record, the only effect on your Company, so far as we can anticipate, will be to slightly reduce our net earnings and consequently the growth of the Reserve Funds which, however, already exceed the paid up Capital of the Company.

All of which is respectfully submitted.

WILLIAM FLAVELLE, President.

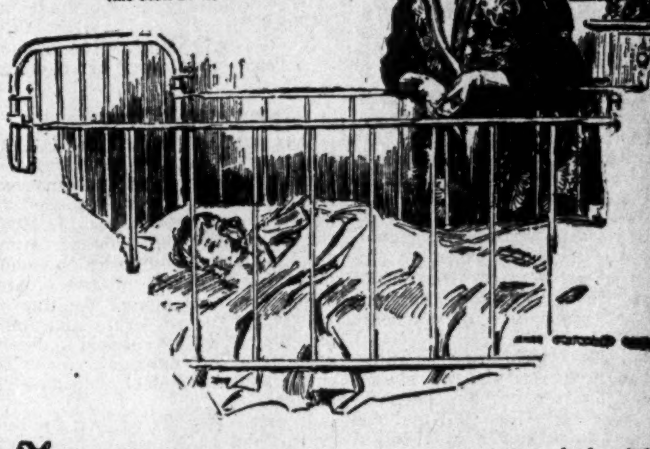
RECORD OF GROWTH

	ASSETS	RESERVE	PROFITS
1910	706,014.00	58,000.00	17,683.00
1915	1,444,019.00	160,000.00	46,700.00
1920	3,292,843.00	362,000.00	77,582.00
1925	5,218,820.00	565,000.00	118,015.00
1930	8,354,968.00	800,000.00	140,801.00
1931	8,383,861.00	810,000.00	130,284.00

DIRECTORS

W. Flavelle, *President.*
R. J. McLaughlin, K.C., *Vice-President.*
H. J. Lytle, *Vice-President.*
J. B. Begg, Wesley Walden, John A. White, M.D.
T. H. Stinson, K.C., M.P., Canon C. H. Marsh.
C. E. Weeks, *Managing Director.*

Tuck him in . . . Safe



What a joy it is to tuck him in his warm, fleecy blankets—happy in the thought that everything that can be done to keep him safe from harm has been done.

FORTUNATE are the mothers of today. They can tuck their babies in bed and rest secure in the knowledge that many of childhood's greatest enemies need never touch them. For one thing, their babies probably will never have smallpox. These wise mothers have seen to it that their little ones are protected by vaccination.

How different it was before vaccination was discovered. Then mothers were powerless against this terrible disease. Among children who died, under 10 years of age, smallpox was responsible for one out of three deaths. Smallpox was more prevalent than measles. Few escaped and the children suffered most. Over and over again it swept the world, leaving its thousands of dead, thousands cruelly disfigured, thousands blind and deaf.

Then came the history-changing discovery—vaccination—and the number of deaths from smallpox went down and down. The end would have been reached but for the well-meaning, but misinformed persons who clamored that "vaccination is a crime"—that "sunshine and cleanliness, not vaccination, drive out smallpox."

If such reckless statements are believed and parents do not have their children vaccinated, smallpox may again attack the children as it did a little more than a century ago. In certain parts of the country, smallpox among children is again on the increase!

In the past, when arm to arm inoculation was common and persons were inoculated direct from smallpox patients, there were many deaths following attempts at prevention. Today, vaccination is safe. The only mishaps that can occur are due to carelessness in protecting the vaccinated area. Smallpox comes from unsuspected sources. Because it takes 12 days to develop, it is possible for immigrants or returning travellers to bring smallpox into the country with them.

Smallpox can be stamped out only by systematic vaccination. Every child should be vaccinated before he is one year old and again during school years. Immunity wears off in time—anywhere from five to fifteen years *and leaves one again susceptible.* Is it more than seven years since you were vaccinated? Now—before the danger is upon you—make sure that you and yours are properly protected. Be safe.

The Metropolitan Life Insurance Company will gladly mail, without cost, a booklet which gives the facts—"Smallpox". Ask for Booklet 2-F-32

METROPOLITAN LIFE INSURANCE COMPANY
Frederick H. Ecker, President
CANADIAN HEAD OFFICE • • • OTTAWA

1872 . . . SIXTY YEARS IN CANADA . . . 1932

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WINNIPEG

MEMBERS
Montreal Stock Exchange
Montreal Curb Market
Winnipeg Stock Exchange

Wall or Desk Chart Canadian Business

1867 — 1931

The Financial Post has prepared the first chart showing the trend of Canadian business since Confederation.

A limited number of copies of this chart have been printed in two colours on heavy paper, suitable either for framing or for putting under the glass top of an office desk. These copies, rolled individually for mailing, are available at $1 per copy postpaid.

Use the coupon to order one or more.

One Dollar a Copy

THE FINANCIAL POST
153 University Ave.,
Toronto.

Please send me..........copies of your Wall Chart of Canadian Business 1867-1931 for which I enclose $..............(at the rate of $1 a copy.)

Name ....

Address ....

947

In addition, this chart appears in The Financial Post Business Year Book, 1932, now available at $2 a copy postpaid.

Marketability Depends On Several Factors; Is Not Always Needed

Forms Subject of Radio Talk in Series on Investments

LISTING NOT VITAL

Price, Security, Sponsorship, Size of Issue and Public Taste Affect Market

Editor's Note: The following address is the fourth of a series of talks on Principles of Investment arranged by Western High School of Commerce, Toronto, and broadcast by station CFCA on February 17. The next talk will be on "Diversification, the Most Frequently Disregarded Essential" and will be given by J. Courtland Elliott, A. E. Ames & Co., at 7.45 p.m. on February 24.

By EWART R. ANGUS,
Matthews & Company, Ltd.

At the present time possibly more than ever before the question of marketability is uppermost in the mind of the average investor. This is a vitally important consideration, and one upon which the investor should be entirely satisfied before making a commitment, yet there are many investors who are under a misapprehension regarding the true meaning of the word marketability, and its application to their individual requirements.

Depends on Distribution

First of all let us consider what creates a market for investment securities. For securities, as for any commodity, the market is governed by the law of supply and demand. Naturally it follows that the bond for which a stable or advancing market can be maintained is one for which a strong demand can be created. Please bear in mind that the demand must be created. Investors in this country are not sufficiently aggressive in their buying to swamp the bond dealer with unsolicited buying orders. Therefore if a bond is to be marketable it must be well sold—well distributed to individuals who are bona fide investors. In judging the degree of marketability of any issue of bonds, it is necessary to accurately measure the degree of distribution which they are likely to have, for in the final analysis, marketability depends on distribution; in other words, how widely are the bonds held by investors, and how many new investors think well enough of them to purchase them?

Distribution in turn depends on several factors, most important among which are the following:

Public Taste Varies

1. Is the bond issue the obligation of a country or corporation highly regarded by investors? In other words, certain securities are at times more popular with investors than others. For instance, Dominion of Canada bonds are more highly regarded by investors here than are those of a foreign country. At times, hydro electric public utility securities are in especial favor; at others, bonds with common stock conversion privileges are most sought after. Consequently in order that the investor may guard against payment of a premium for popularity, he must assure himself that there is a sound reason for existing market preferences.

2. Is the bond issue sufficiently large, and are the sponsoring houses sufficiently strong to gain a widespread distribution for it among bona fide investors? It is only natural that an issue aggregating $1,000,000 would have a more widespread distribution than one amounting to only $100,000. For one thing, the larger the issue, provided of course it bears a proper relation to the underlying security, the greater will be the number of investors familiar with it. But almost of equal importance in so far as marketability is concerned, is the distributing power of the sponsoring houses.

Until any new issue of bonds has been transferred from the hands of dealers to investors, the holdings of the dealers (which are called the floating supply) constitute an obstacle which will prevent an advance in quotations on the issue, and in fact if the dealers are not successful in their efforts, then they will in due course offer their bonds in competition with each other at declining prices.

3. Is the issue attractively priced in comparison with other similar issues?

4. Lastly, and perhaps most important of all, is the security underlying the obligation sufficient to remain satisfactory under unfavorable economic conditions? Will it stand the test of time? The tendency during periods of prosperity is to look only at the roseate picture of current earnings, and failure to fully appreciate the fluctuations downward of those earnings under less favorable conditions, has unfortunately been a costly lesson to Canadian investors.

Law of Supply and Demand Works

The bond market, as it is generally understood, represents largely transactions between dealers, yet the dealer is only the distributor to, or the agent for, the investing public. After all, he can only buy what he or some other dealer can sell to the investor. For instance if a bond issue is quoted at 96 bid, 96½ asked, this means that if an investor wants to sell a $1,000 bond, 96 will be paid for it. Or if he wants to buy a $1,000 bond, he can do so at 96½. If, however, he had $50,000 of $100,000 of bonds for sale at 96, there is no assurance that they could be sold at that price unless the dealer knows that he or some other dealer can dispose of that quantity to an investor.

On the other hand, suppose a dealer has orders to buy $100,000 of bonds of a certain issue, and the market is quoted at 96 bid, 96½ asked. He buys all the bonds available at 96½. Assume $25,000 were offered at this price, then he may have to pay 96 5/8, 96¾ or even 97 for the balance of the bonds, depending upon the scarcity of offerings. This is simply the law of supply and demand at work. If an issue is so popular and so well distributed that there are a great many more people who want to buy than who want to sell, then there will be an active and rising market. The degree in which the buyers of bonds exceed the number of sellers, will determine the price fluctuations of that particular issue at any given time. As an example, take the last issue of the Province of Ontario which was placed upon the market in January. These bonds were so attractive and so highly regarded by the investing public that the issue was immediately over-subscribed. Here was an instance of the number of buyers exceeding the sellers. Many buyers were willing to pay a premium on the original offering price in order to obtain bonds, and as a result the bonds are today selling at approximately two points above the issue price.

Security is Essential

Many investors have the impression that a bond which is listed on one of the leading exchanges must have a greater degree of marketability than those which are not listed but the mere act of listing a bond rarely improves its marketability. Buying orders are the only thing that can create an active demand for any issue. Stock exchange records both here and in New York show many issues in which there have been no recorded sales in an entire year, and sometimes for several years. If the sponsors of an issue have the ability and inclination to create a genuine and continuing demand for that bond from investors, then its marketability is assured, no matter whether it is listed or not. Mere size of an issue does not necessarily guarantee a good market. Security is, after all, the first essential in keeping any bond issue in constant demand. Dominion of Canada bonds have the best market in Canada because everyone knows that they are the finest security that the Canadian investor can buy. Almost every Canadian in selecting bonds for investment has bought Dominion of Canada bonds at one time or another. He knows the security will always be good, and that these bonds will always have a ready market. Therefore a certain proportion of all new funds for investment flows into these securities, with the result that there is always a ready demand for them. Moreover, the market for these bonds is closer than for any other Canadian security because the dealer knows that he does not have to spend time or money in advertising the merits of the security. Consequently he expects a minimum of profit on his transactions in them; in fact, the spread between the bid and asked prices on Dominion of Canada bonds often amounts to as little as 10 cents per $100 bond.

Depends on Sponsors

Compare this market with that for a comparatively small corporation issue. The security may be first-class, but by reason of the fact that only a very few investors know anything about the issue, there is little or no demand for it. Consequently when one of these holders wishes to dispose of some bonds he is unable to find a buyer simply because the dealer does not know of any investor or other dealer who is willing to purchase them. It is the usual practice for the house which sponsors this type of issue to endeavor to maintain a market for its clients. If the dealer is able to locate investors who will purchase this particular issue in approximately the same quantity as those which are offered for sale, then he is able to maintain a satisfactory market, but this type of market is one which is usually expensive, for the dealer must maintain a sales force to find new investors, to explain the merits of the security to them, and thus create the demand necessary to absorb the floating supply. Naturally the spread between the bid and asked price of this type of bond is comparatively wide, often amounting to several points.

Not Always Needed

I have touched upon the primary requisites for marketability. Now let us consider the subject from the standpoint of the individual investor. Everyone does not require marketability to the same degree, and as the price of marketability is lessened income, the prudent investor should not over-emphasize its importance in relation to his investment requirements.

During the past few years there has been an increasing tendency on the part of so-called investors to buy bonds not because they had given any really careful thought to their selection but because they felt that particular issue would have an active and rising market; in other words, many have bought bonds with the same mental attitude as the purchaser of common stocks. To put it bluntly, he was less interested in the company's promise to pay than in the current earnings, volume of transactions and daily market fluctuations. Once it was the practice to judge long-term bonds by the company's average performance over a period of years. It was considered a matter of the highest importance that corporation bonds represented a formal promise to pay, commonly backed by a specific pledge of property. It was held that such an obligation would be honored just as long as the borrower could possibly meet its requirements, although the stockholders might be forced to undergo serious sacrifice. In the event of final inability to continue, the bondholders might still recover substantially, even to the point of wiping out altogether the stock equity. At one time one purchased bonds on the basis of security and continuity of income rather than quoted prices. If quoted prices are to be the criterion of security value, it involves the consideration today of whether half the established industries of the land, and half the nations of the world will eventually pay no more than 75 cents on the dollar of borrowed money.

A Form of Diversification

Marketability is a form of diversification, and, as such, should be analyzed in its own terms in order that nothing be left to chance or taken for granted. Some investors are paying a high premium for marketability which they do not require, whereas others have neglected to provide a proper proportion of marketable security. The advantages of marketability are of no value to the investor who will never have occasion to realize on his investments prior to the time of maturity. They are of distinct value however to the man who expects to sell his bond, or who without actually expecting to sell, wants to be in a position to do so if occasion should require. If he expects to borrow occasionally from his bank by depositing his bonds as collateral, marketability is a distinct advantage, for the banks will usually loan him about 80 per cent of the market value. If the bond is not readily marketable, this 80 per cent will be based on a comparatively low valuation, and if there is any real doubt as to the marketability, the conservative banker will refuse to accept it as collateral.

Affects Price

On account of the advantage of marketability there is naturally a discrimination on the part of well-informed investors in favor of securities which possess this desirable feature. Such discrimination increases the price of marketable issues but seldom makes them reach a level in excess of their intrinsic worth. To most investors, marketability is worth what it costs, and every investor would do well to have at least part of his money in marketable bonds in order that he may be insured against the unexpected or sudden requirements of an emergency.

The individual case must furnish the rule as to what degree of marketability will be required. Everything depends upon the purpose of the investment account. In general, however, it has been found that it is sufficient to have 25 per cent of one's investment in very active securities, 40 per cent in reasonably active, and 35 per cent in relatively inactive. This provides sufficient reserve if accompanied by a given percentage of short maturities, plenty of opportunity for a price advance, considerable stability of the investment account, and a satisfactory average yield on one's entire investment portfolio.

Many Homes Wired To Use Electricity

From Our Own Correspondent

MONTREAL.—Of the 2,142,805 homes in Canada, it has been estimated that 1,436,777, or 72 per cent, are wired for electricity, according to a recent survey by a company manufacturing electric appliances.

In these homes at the beginning of 1930, there were approximately 84,000 electric refrigerators, 210,000 ranges, 1,260,000 irons, 800,000 radio sets, 350,000 vacuum cleaners, 560,000 toasters, 84,000 water heaters, 350,000 washing machines and 70,000 baths.

According to the survey, these electric appliances alone consumed during 1930 a total of over 908,000,000 kw.h. of electric current.

In the Mail

The Saving Grace

Editor, The Financial Post,

After experiencing substantial losses for two years in succession, a client of ours upon being properly refused a renewal of his credit limit, sends us a newspaper report on that old story recently retold to the Alberta Association of Municipal Districts, viz: where six bankers were selected as pallbearers for the reason they had carried the customer all his life, and were requested to finish the job. He concludes our institution could not even be depended upon as a pallbearer. While our client may have lost financially, we are glad to see he has still retained his humor and a fair measure of business acumen.

BANKER.

Port Arthur, Ont.
February 9, 1932.

Wants More Bonds Listed

Editor, The Financial Post,

Is it not time that the attention of the authorities governing the Toronto Stock Exchange should be drawn to a condition they are directly responsible for; viz the utter absence of an open market for the many bonds and prior securities of companies issued during recent years.

The stock exchange, by virtue of its charter, is the only and proper place for these securities to be quoted and dealt in, and because of this lack of a market quotation and marketing facilities many investors and business men are being forced into an awkward situation. Our banks, who accepted these securities freely three or four years ago as good collateral, now state blankly "they have no value because there is no market for them." Apparently our banks do not accept a bond dealer's price quotation as meaning anything, whereas a price, "pegged" by the governing body of the exchange means a lot . . . . to some one or other. And if such a pegged price gives a collateral value to a common stock, how much nicer it would be (and more equitable) for our business man if many of the unquoted bonds and prior securities were listed on the stock exchange and now enjoyed a "pegged price."

Certainly the present Depression Blues would have a very much more liquid hue.

ALEC BROWN.

Trenton, Ont.
Feb. 10, 1932.

Too Much Paternalism

Editor, The Financial Post,

It was with great pleasure that I saw in your issue of the 6th inst. the letter of "Westerner."

Unfortunately the expenditure on the Medicine Hat-Taber road, to which he refers, has been duplicated in many others places not only in Alberta as on the McLeod trail south of Calgary where a splendid gravel road was superseded and closely paralleled by a still better one, but in Saskatchewan where summer resorts that can never earn the cost of upkeep alone are being constructed in the name of unemployment relief.

Numerous other examples of stupendous folly might be given and in addition to this waste our old-age pension scheme is sapping the morale of our people. The pensioners and their relatives are in far too many—in fact in the large majority of cases—defrauding the country by the abuse of a scheme that in this young western land was not, and is not, needed. A few days ago the Premier of Saskatchewan was reported to have stated that 68 per cent of the residents of that province over 70 years of age were pensioners. If this is correct—and I fear it is—judging by those in our own neighborhood who have pauperized themselves, not more than one-sixth of the recipients are entitled to the pension and this small proportion could easily be taken care of, as in the past, by the municipalities in which they reside at a far smaller cost and without loss of morale.

Through the introduction of this and other paternalistic schemes far too many now believe that the public owes them a living and provision for their old age rather than merely owing them the opportunity to make a living for themselves and their dependents and, by the exercise of reasonable thrift, to make necessary provision for their future.

ANOTHER WESTERNER.

Welwyn, Sask.
Feb. 10, 1932.

Twenty-two Jurisdictions Have Responsibility Laws

There are now four Canadian provinces and eighteen states of the U. S. A. which have enacted automobile financial responsibility legislation according to a brief summary of the situation by the Aetna Life Insurance Company, and affiliated companies.

The four Canadian provinces are Manitoba, Ontario, New Brunswick and Prince Edward Island, while the American states are California, Connecticut, Delaware, Indiana, Iowa, Maryland, Minnesota, North Dakota South Dakota, Maine, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Rhode Island, Vermont and Wisconsin.

It is pointed out that since the law affects resident as well as non-resident motorists, it is increasingly important for the automobile owner and driver to be prepared to meet the laws of any state or province, lest he be deprived of the right to drive in that particular territory. Furthermore, because of the reciprocal relations existing between most of the states and provinces, having such legislation, the motorist's failure to pay adjustments or his violation of any of the pertinent ordinances or laws in a "foreign" state may definitely and equally affect his status in the "home" state.

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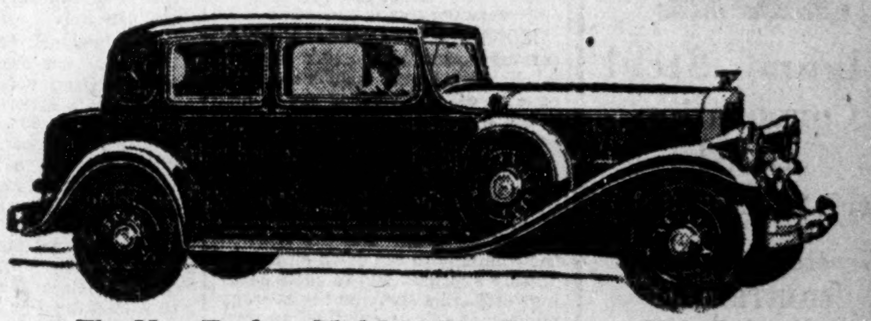
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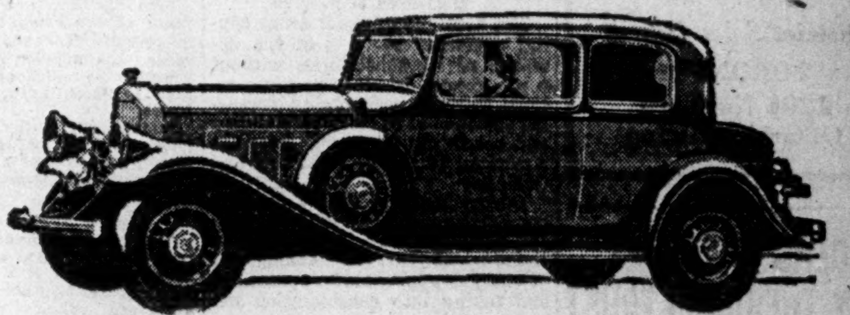
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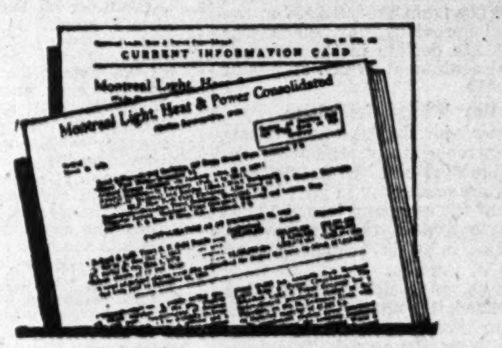
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DIVIDEND WELL MET BY THE UNION TRUST

Assets Show a Good Gain With Increase in Surplus

The Thirty-first Annual Financial Statement of The Union Trust Co., Limited, as presented at the Shareholders' Meeting, indicates that the volume of the Company's business has increased during 1931—the total assets now standing at over $18,000,000. Estates Account shows an increase of $600,000 during the year. Savings Deposits with the Company show a moderate increase while the total of Trust funds for investment are slightly down as compared with the previous year-end.

Profits were considerably below the level of previous years but were more than sufficient to pay the usual quarterly dividends throughout the year totalling $70,000, to provide for the payment of Federal, Provincial and Municipal taxes amounting to $13,819.74 and a write-off to take care of depreciation upon office equipment. After making these deductions from the year's earnings, the Company was able to increase to $55,982.63 the balance carried forward in Profit and Loss Account.

The President of the Company, Mr. Henry F. Gooderham, K.C., made reference to the effect of the existing business conditions upon various activities of the Company. Reference was also made to a Special Reserve of $200,000 shown in the Statement and appropriated specifically to investments in Western Canada, where interest has not been paid because of crop conditions and wheat prices.

Dr. J. H. McConnell, the Vice-President, also addressed the shareholders pointing out the excellent condition of the Company's mortgages upon Toronto properties.

Mr. M. L. Davies and Mr. J. Homer Black were added as Directors and Messrs. Price, Waterhouse & Company were re-appointed as Auditors for the year 1932.

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Bell Telephone Income Last Year Insufficient To Cover All Charges

Share Earnings Larger Than Reported in 1930

SELL STOCK AT $135

American Tel. and Tel. Loans $9,075,000—Loss in Number of Stations Installed

From Our Own Correspondent

MONTREAL.—Decline in gross earning power, an increase in capital liabilities and insufficient revenue to cover dividends are shown in the 1931 annual statement of the Bell Telephone Co. of Canada.

The past year was a difficult one in the telephone industry, as evidenced by the fact that the number of stations removed exceeded the number installed. But this enabled the company to cut down on its operating expenses and to show earnings of $7.62 a share on the average number of shares outstanding during the year as against $7.02 in the previous year.

Borrowed $9,075,000

The necessity of undertaking capital expenditures to meet the demands of its subscribers, without a progressive increase in gross income, however, necessitated increasing the amount of stock outstanding and borrowing $9,075,000 from the American Telephone and Telegraph Company

During the past year Telephone operating revenue totalled $40,926,162 compared with $41,360,162 in the previous year. After taking care of charges applicable to operations and taking into consideration net non-operating income, net income was $10,363,599, against $9,229,655 in 1930.

Record Another Deficit

Increase in bond interest owing to purchase of American funds and other senior charges, left a net income in 1931 available for dividends of $5,791,981. This was greater than the $5,416,328 reported in 1930, but was not sufficient to cover the 8 per cent dividend amounting to $6,089,837. Consequently, there was a deficit for the year of $297,856, which compares with a similar deficit of $264,744 set up in 1930.

Full particulars of the profit and loss account for the past two years follow:

	1930	1931
	$	$
Oper. revenue	41,360,925	40,926,162
Less: Oper. expense..	14,850,198	13,426,378
Maintenance	7,671,054	7,266,892
Depreciation	8,528,858	9,148,978
Net oper. revenue	10,310,815	11,083,914
Less: Bad debts	279,463	263,529
Taxes	1,768,100	1,991,800
Operating income	8,263,252	8,828,585
Add: Other income..	1,343,859	1,535,014
Gross income	9,607,111	10,363,599
Less: Rent, etc.	377,456	419,844
Other interest	583,940	707,217
Bond interest	3,161,795	3,375,000
Debt discount	67,592	69,557
Balance	5,416,328	5,791,981
Less: Dividends	5,681,072	6,089,888
Deficit	264,744	297,856

Assets Up $15,000,000

The effects of the business depression on the company's financial position are more apparent in the balance sheet, which shows total assets on December 31, 1931, of $215,257,603, as against $200,593,881 a year ago.

During the year gross additions to the plant totalled $19,043,000, while plant retired from service originally cost $9,563,000. Investment in land and buildings stands at $20,389,928, up from $19,477,079 a year ago. Telephone plant and equipment is shown on the books at $167,485,219, an advance from $158,918,407 at the end of the previous year. There was a moderate decline in the value of general equipment, which stands at $3,950,415.

Buy 'Phone Securities

A noticeable change among assets is the increase in investment securities from $9,618,937 to $14,040,356. This is accounted for in part by the fact that the company issued 10,398 shares to finance the purchase of securities in other telephone companies in Canada.

Though no official statement has been issued, it is understood that the company increased its shareholdings in the New Brunswick Telephone Co. At the same time it participated in the formation of the Trans-Canada Telephone System, and also purchased additional securities in wholly-owned or controlled subsidiaries.

Working Assets Gain

Working assets of the company increased from $6,221,199 to $7,076,733 during the year. This was due to the gain in cash on hand from $95,784 to $1,019,252. It is noted that Dominion Government bonds held by the company decreased from $569,994 to $198,500.

Issue More Stock

The amount of capital stock outstanding was increased during the twelve months from $74,263,000 to $76,619,300, representing the issuance of 19,963 shares. Of this number 9,565 went to employees and 10,398 were used to finance purchase of other telephone companies securities.

There was no change in the regular funded debt, but notes sold to trustee of the pension fund increased from $3,324,900 to $3,880,541.

Loan Replaces Loan

A bank loan of $800,000, shown in the 1930 report, has disappeared, and is replaced by a loan (repayable in American funds) of $9,075,000, secured from the American Telephone and Telegraph Co.

Sell Stock at $135

Premium on capital stock issued has been increased from $5,443,115 to $6,136,024. Inasmuch as 19,963 shares were issued during the year, it would appear that the company received an average premium of about $35 a share over the par value on all stock sold in 1931.

Important changes have been made in the corporate surplus. At the end of 1930 this surplus amounted to $6,090,807 and on December 31, 1931, $5,568,524, a decline of $522,283. This latter figure comprised the deficit for the year of $297,856; $24,426 of miscellaneous deductions; and $200,000 appropriated in respect of the possible payment of premiums on loans which will be repaid in United States funds.

In commenting upon operations last year, C. F. Sise, president, had the following to say, in part:

"For the first time in the fifty-one years of the company's history the number of telephones removed has exceeded the number installed. There were 204,848 telephones connected and 214,911 discontinued, a net loss of 10,063.

"Connecting with The Bell Telephone Company under mutually satisfactory arrangements are 845 systems in Ontario and Quebec, serving 152,727 telephones.

Cut Down Expenses

"Decrease in long distance business, less volume of local traffic, reduction in construction and other items of plant operation necessarily meant a decreased volume of work. This diminution permitted savings in operating and general expense, which, with strict economies in other directions, made possible a reduction in controllable expense of $1,827,982.

"Plant additions and betterments were financed through short term loans at low interest rates in New York. At maturity these were repaid through borrowings from the American Telephone and Telegraph Company. At the close of the year their advances to us amounted to $9,075,000.

Prepare for Premium

"While it is not expected that it will be necessary to repay these loans under present adverse exchange conditions, it has been thought prudent to appropriate from surplus this year $200,000 against a contingent liability for premium on United States funds.

"During the year 19,963 shares of capital stock, of a total par value of $1,996,300, were issued.

Capital Outlay Details

"Gross additions to the company's plant in 1931 amounted to $19,043,000, of which the principal items were:

Land and buildings	$1,014,000
Central office equipment	6,663,000
Subscribers' station equip.	5,541,000
Exchange lines	4,022,000
Toll lines	1,616,000

"Existing plant, the original cost of which was $9,563,000, was retired from service during the year.

"There are many necessary additions to plant and property still under way, and the programme of conversion from manual to dial operation is being continued, though somewhat retarded."

Would Bar Sun Life From Buying Stocks

Sun Life Assurance Co. of Canada will be debarred from purchasing any more common stocks for some time to come if the new federal act relating to Canadian insurance companies and now before the Senate at Ottawa, becomes law.

The new act (as was anticipated) contains a provision limiting common stock investments of life insurance companies to 25 per cent of total ledger assets, but in addition contains a new clause which says that any company now holding more than 25 per cent of its assets in common stocks may not purchase any more common stocks until its present holdings are reduced to within the new 25 per cent provisions of the act.

HURON & ERIE HEAD DISCUSSES '31 REPORT

Earnings Actually Ahead of 1930 Before New Building Write-offs

That net profits of $533,459 had been achieved during 1931 by Huron & Erie Mortgage Corp., after meeting all charges and after paying the entire cost of the furniture to equip the company's new building, was the statement made by T. G. Meredith, K.C., chairman of the board at the company's annual meeting held at London, last week. The cost of the furniture, it was pointed out, included the installation of vault filling equipment, and exceeded $63,000, which meant that without meeting this charge out of current earnings the company would have shown profits actually exceeding those of 1930.

Explanation of some of the important figures in the company's balance sheet was made, it being pointed out that the company holds among other assets the bulk of the shares of Canada Trust Co., which are taken in at $1,560,485 although the value of the stock computed on the basis of the present reserve fund of the company is $1,805,045.

Mr. Meredith also referred to a new item in the company's balance sheet namely "Unrealized assets of the Peoples Loan & Savings Corporation, held under an agreement approved by the Lieutenant-Governor in council as security for liabilities of $1,100,646." This new item was stated to be responsible to a large degree for the increase shown in the Canadian debenture department. The item arises on account of the fact that in 1930 the company was asked by the Ontario government to become responsible for the public liabilities of the Peoples Loan and Savings Corp. Following execution of the agreement the entire assets were taken over and Canada Trust Co. was named as agent to realize on the investments as quickly as possible. This work was carried on in 1930 and as fast as the investments can be turned into cash the money is paid to the Huron & Erie in reduction of that company's claim. This claim as already stated now totals $1,100,646 against which the company has as security the unrealized assets still remaining, the book value of which is greatly in excess of the claim.

Morley Aylsworth, general manager of the company stated that rentable space in the company's new head office building was being put under lease in a very satisfactory manner and that the annual rental from this source was already in excess of $32,000.

Cons. Food Prospects Considered Fairly Bright

R. H. Hommel, vice president of Consolidated Food Products and in charge of the operations of Stop and Shop Stores, is reported by Canadian Grocer in its current number as stating that the business of Stop and Shop is running along satisfactorily and that the future looks fairly bright considering the conditions.

Last year some fifteen Stop and Shop Stores were opened in Toronto and two or three in Montreal.

Index to Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 56.6 for the week ending February 11, as compared with 58.4 for the previous week.

Eleven gold stocks fell from 58.6 to 57.0, four gold-copper stocks from 62.6 to 60.0, and five silver and miscellaneous stocks from 23.6 to 21.7.

NEW ACT PLANNED FOR COAL MINING IN SASKATCHEWAN

Judge Wylie Makes Recommendations for Future

MERGE BIG MINES

Costs Will Have to Be Reduced to Enable Markets to Expand

REGINA.—A new Mines Act for Saskatchewan, will, it is understood, be drafted by the Provincial Government as a result of the comprehensive survey of the coal mining situation in the province recently completed and reported upon by Judge E. R. Wylie of Estevan.

Judge Wylie's appointment was made as the result of the labor troubles at the mines of the Estevan district last fall and he was required to report on the causes of and possible cures of such troubles, but in addition he was charged to make an economic survey of the whole coal mining industry of the province.

Recommends Merger

One of Judge Wylie's recommendations is that every effort should be made to stabilize the selling price of the coal of the district. In that connection he recommends the amalgamation of some of the larger deep seam mining companies, cutting down production costs and permitting installation of the most modern producing equipment.

The output of the area in 1930 was 579,424 tons, or about 15 per cent of the quantity of coal used within the province. In the neighboring State of North Dakota, it is stated, more than 75 per cent of the fuel needs of the state are supplied from lignite fields yielding coal of comparable quality to that of the Estevan area.

The commission finds that the subvention granted by the Dominion Government places Saskatchewan coal at a disadvantage in comparison with Alberta coal.

Workers Unity Not Union

In connection with the strike it is pointed out that reduction in prices realized for coal, due to lower prices, had resulted in lower wage schedules, and this along with various complaints regarding housing and working conditions was responsible for the feeling of unrest which led up to the strike. When the mine operators refused to recognize the Mine Workers' Union of Canada, which is affiliated with the Workers Unity League, due to its subversive connections, a strike was ordered. The strike was illegal, a fact which, however, was not disclosed to the men. The Workers' Unity League, the commission finds, "has ceased to be a labor union in the ordinary sense, and has been converted into a revolutionary industrial union, pledged to a programme of revolutionary struggle for the complete overthrow of capitalism, and for the establishment of a revolutionary workers' government."

The deep seam mines which were studied by the commission were those of the following companies: Bienfait Mines, Ltd., Eastern Collieries Ltd., Manitoba and Saskatchewan Coal Co., Ltd., Western Dominion Collieries Ltd., Crescent Collieries Ltd., and National Mines, Ltd. The effect of the large scale stripping operations of the Truax Traer Coal Company Ltd., was also studied.

Can. Celanese Orders Assume Large Volume

From Our Own Correspondent

MONTREAL.—Unfilled orders of Canadian Celanese, Ltd., at present are higher than they were a year ago and the company is working at capacity to catch up with sales orders. For a substantial portion of last year the company's plants were operating 24 hours a day and inventories were limited to a day-to-day production basis.

Whether the company will find it necessary to extend its plant facilities at Drummondville remains to be seen; at the moment it is stated that further expansion is not under consideration. It will be remembered that substantial additions were completed at the end of 1930 which increased productive capacity by about 50 per cent.

The financial statement, which is not expected for another month, is awaited with interest. No figures on earnings have been made public though it was reported profits for the first nine months of 1931 were ahead of the same period in the previous year. Dividends in that period were covered by a fair margin and it may be assumed that the 7 per cent preferred needs will be earned for the full year.

In 1930 earnings on the preferred were equal to $9.02 a share; the forthcoming financial statement will reflect for the first time the payment of dividends on a regular basis for a whole year. These payments are still 29¾ per cent in arrears; and as yet no disbursement has been made with a view to liquidating this account.

Grozell Report Shows Liabilities Liquidated

Shareholders of Grozell Kirkland Gold Mines are in receipt of a financial statement and notice of annual meeting to be held February 24 in Toronto.

The balance sheet, dated January 31, 1932, shows current assets of $7,443 as compared with current liabilities of $400. Of the authorized capitalization of $3,000,000 in $1 par value shares, 2,132,858 shares have been issued.

A statement of income and expenditures for thirteen months ended January 31, 1932, showed expenditures of $7,030 with incomes consisting of $380.

Control of the company was recently acquired by the Northern Canada Mining Corporation, which is transferring its interest to the Kirkland Lake Gold Mining Co. The Grozell Kirkland holdings will then be merged with Kirkland Lake Gold, after which the charter to Grozell Kirkland will be surrendered.

INT. PETROLEUM JANUARY OUTPUT UP

Dividend is Declared Payable in United States Funds

Crude production of International Petroleum Co. showed some decrease in Peru during January and an increase of some 3,700 bbls. daily in Colombia. Average daily production of 24,143 bbls. in Peru compared with 24,700 bbls. in December and 25,111 bbls. in January, 1931, while production in Columbia of 49,485 bbls compared with 45,786 bbls. in December and 53,474 bbls. in January, 1931. The company has recently declared the regular quarterly dividend of 25 cents per share payable on March 15 in United States funds to shareholders of record February 29. Holders of bearer share warrants may collect the dividend by presenting coupon No. 32 at any branch of the Royal Bank.

December production figures in full are shown as follows for Peru and Columbia:

MONTHLY PRODUCTION

December:		
Peru:		
No. of wells completed	1	4
Av. initial prod., bbls.	301	415
Total crude prod., bbls.	768,473	762,860
Colombia:		
No. of wells completed	3	7
Av. initial prod., bbls.	*145	1,194
Total crude prod., bbls.	1,419,359	1,696,367
*Only one tested.		
Year end. Dec. 31:		
Peru:		
No. of wells completed	46	115
Av. initial prod., bbls.	246	519
Total crude prod., bbls.	7,675,719	9,766,921
Colombia:		
No. of wells completed	44	114
Av. initial prod., bbls.	665	694
Total crude prod., bbls.	18,237,190	20,845,916

B. A. Oil Meeting Called

Shareholders of British American Oil Co. have received notice that the annual meeting of the company will be held February 22 at 3 p.m. in the King Edward Hotel, Toronto, to consider the annual report of the company and to elect directors for the ensuing year.

STANDARD CLAY PROFITS RECORD SHARP INCREASE

Regular Common Dividend and 2% Bonus Declared

From Our Own Correspondent

MONTREAL. — Standard Clay Products in 1931 earned 11.20 per cent on its common stock compared with 3.04 per cent in the previous year. A dividend of 2 per cent was paid during the past year while a similar payment plus a bonus of 2 per cent has been declared payable February 15 to shareholders of record January 31, 1932.

Improvement in earnings is a reflection of a larger volume of business handled with a resultant increase in plant activity. Operating profits were $201,040 compared with $134,838 in 1930; though provision for depreciation and income tax was higher net profits totalled $84,029 against $22,765 in 1930.

Profit and Loss Figures

Following is a comparison of profit and loss figures for the past three years:

	1931	1930	1929
	$	$	$
Oper. earn.	201,040	134,838	124,059
Bond int.	45,000	45,000	44,715
Deprec., etc.	62,010	58,087	56,972
Tax prov.	10,000	3,600	3,140
*Add. exp.	......	5,385	......
Net profit	84,029	22,765	19,232
Divids.	15,000	15,000	15,000
Surplus	69,029	7,765	4,232
Prev. bal.	121,029	113,264	109,032
P. & L. bal.	190,058	121,029	113,264

*On Hume plant.

Working Capital Strengthened

Balance sheet shows a satisfactory position. Working capital at the end of the year amounted to $467,006 comprising $503,779 of current assets and $36,773 of current liabilities. At the end of the previous year working capital was $399,229.

Cash is up $55,000 at $97,021 and accounts receivable show a gain of $28,000 at $93,677. Investments at market value total $69,565 a decline of about $14,000 from the previous year and inventories are lower by $13,000 at $210,867.

Segregates Goodwill

The present report shows goodwill segregated for the first time from property. Goodwill is carried at $50,000 and depreciated value of properties at $928,292. In the previous year the two items were consolidated at $998,104.

In liabilities, accounts payable are up $7,000 at $33,081. During the year $21,500 of 6 per cent first mortgage bonds were redeemed leaving $510,900 outstanding of an original issue of $750,000. Common stock is unchanged at $750,000 and surplus has been increased by $69,029 to $190,058.

Remarks to Shareholders

In his remarks to shareholders, Col. Herbert Molson, president, said in part:

Your company did a somewhat larger volume of business in 1931, in consequence of which the factories of your company were kept under more constant operation, and the resultant gain in efficiency and production reflects increased profits, as shown in the statements.

"Your directors have pleasure in announcing that a dividend of two per cent, together with a bonus of two per cent, on the common stock of the company, was declared on the 25th of January, 1932, payable on February 15, to shareholders of record January 31."

Prices Are Reduced for Electric Appliances

A reduction in the price of certain electrical appliances of one make is announced this week. The items affected include one toaster, curling iron, and heating pad. The same manufacturer has issued lower prices on electric heaters, and is bringing out an improved type of electric water heater. Lower prices are in effect now for spring business on a certain make of household fly oil, states Hardware and Metal, Toronto.

The unsettled condition in ingot copper prices has brought the price of copper and brass wire down, as well as lower prices in sheets and rods of copper and brass. Jobbers in some territories have revised their quotations downward on automobile batteries. Western jobbers have issued reduced prices on silverware, following the reduction made by manufacturers at the beginning of February.

More activity is apparent in spring hardware lines, as dealers take delivery of booked orders in harvest tools, garden needs, fence wire, poultry netting, etc. Booking of summer sporting goods is not very active as yet, but a steady stream of orders is reported coming through for insecticides, fly oil, screen wire cloth, and allied products.

Extra Cash Dividend for Imperial Trust Co.

Imperial Trusts Company of Canada announces that the series "B" bonded trust shares will pay an extra cash dividend of 20c per share, payable March 15, 1932, to shareholders of record March 10, 1932. This is in addition to the regular monthly dividend of 1 per cent.

Officials of the company point out that this extra cash dividend is paid out of reserve funds and now amounts to over 17 per cent.

January Building Contracts Higher

Construction contracts for January show an increase of 13 per cent over the December figures. The total for the past month was $12,738,300. A division of the January figure into major groups credits business buildings with 28.8 per cent of the new work, the figure being $4,644,000. Engineering accounted for $4,720,500 or 37.1 per cent; $2,700,500 was shown for residential or 21.2 per cent, and industrial shared to the extent of 2.9 per cent or $372,400.

New Issue

$5,000,000

PROVINCE OF BRITISH COLUMBIA

6% Sinking Fund Debentures
(Non-Callable)

Dated February 15, 1932. **Due February 15, 1947.**

Principal and half-yearly interest (15th February and August) payable in lawful money of Canada at The Canadian Bank of Commerce in Victoria, Vancouver, Winnipeg, Toronto, Montreal and Halifax.

Denominations: $1,000 and $500

Debentures may be registered as to principal

Subject to Legal Opinion of E. G. Long, Esq., K.C., Toronto

These debentures are direct obligations of the Province of British Columbia and are payable, principal and interest, out of the Consolidated Revenue Fund of the Province. The proceeds of this issue will be used for refunding Treasury Bills originally issued for buildings, highways, bridges and other general purposes. A Sinking Fund will be established sufficient to retire this issue at maturity.

British Columbia makes an important contribution to the wealth of Canada because of its abundant forestry, fishing, mining and agricultural resources. It has the largest per capita share of developed resources of any of the Canadian provinces according to the Dominion Bureau of Statistics. Manufacturing has reached an advanced stage of development and almost one-tenth of the water power turbine installation of the Dominion is within the boundaries of the Province. Vancouver, the third largest city in Canada, has become one of the most important ports on the Pacific coast of North America.

The Province has established sinking funds against all its long term indebtedness and these sinking funds are in excess of requirements.

Information regarding the financial position of the Province will be found in the official circular which is available upon request.

We offer these debentures if, as and when issued and accepted by us, subject to the approval of Counsel.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close subscription books at any time without notice.

It is expected that debentures in interim form will be ready for delivery on or about February 29, 1932.

PRICE:
95.25 and accrued interest, to yield 6½%

The Canadian Bank of Commerce
Dominion Securities Corpn. Ltd.
The Bank of Nova Scotia
Imperial Bank of Canada
The Dominion Bank
The Bank of Toronto

Bank of Montreal
Wood, Gundy & Co., Limited
Fry, Mills, Spence & Co., Limited
Hanson Bros., Inc.
Bell, Gouinlock & Co., Limited
Royal Securities Corporation Ltd.

The Royal Bank of Canada
A. E. Ames & Co., Limited
R. A. Daly & Co., Limited
McLeod, Young, Weir & Co., Ltd.
Matthews & Co.
Nesbitt, Thomson & Co., Ltd.

The statements contained herein are based on information which we believe to be reliable but are in no event to be construed as representations by us

Canadian Pulp and Paper Industry

COAST PULP SALE CAST INTO GLOOM BY CHINESE WAR

Operators Harrassed By Much Doubt and Uncertainty

From Our Own Correspondent

VANCOUVER. — Transpacific trade in Canadian pulp and paper will be adversely affected if hostilities continue in the Far East, according to British Columbia operators who have come to regard China and Japan as important sales territory.

Although Japan buys very little paper in this country, preferring to manufacture her own, she has made large purchases of pulp and this in turn has been converted into varied uses according to demand. Until the recent outbreaks in Manchuria and Shanghai, China was an important buyer of Japanese paper, but this trade has now been suspended owing to the boycott.

China has always been a buyer of Canadian paper and now China is in the market for both pulp and newsprint, owing to the boycott on Japanese supplies, but it is difficult to make delivery of these orders on account of the trend of political and military events.

Within the last few months Shanghai has been a valued customer of Canadian newsprint mills, but the recent hostilities have blanketed this business with uncertainty. Meanwhile, shippers are harassed with delays, fluctuating exchange, credit difficulties and the prospect of war risk insurance.

The transpacific lumber market has also been affected, and large orders for China have been held up. Five million feet of lumber are now piled in Vancouver docks, destined for China, but delivery is impossible under present conditions.

When China learned that Japanese are engaged in the salt herring industry of British Columbia they declared a boycott on this product, and 5,000 tons of British Columbia herring are now on Shanghai wharves, unsaleable. Other orders have been cancelled.

WHEAT BONUS CUTS FARM RESERVES

Farmers Rush Wheat to Market to Get Extra Five Cents

From Our Own Correspondent

WINNIPEG.—Payments to western farmers under the five cent per bushel bonus on wheat are expected shortly to pass $10,000,000. The total paid out to February 5 was $9,325,277, on 186,505,540 bushels delivered by farmers to elevators since August 1 last. Payment of this sum, through the Board of Grain Commissioners has required the issuance of more than 6,000,000 bonus certificates. The certificates are issued by the grain company taking delivery of the farmers' wheat, and they are cashed by the bank. The special staff engaged by the Board of Grain Commissioners for the purpose then checks the records of the grain companies to see that the transactions are in order, and at one time as many as eighty persons were engaged in this work. The staff is now much reduced, owing to a falling off in volume of business, as the greater part of the work has undoubtedly been completed.

The amount to be paid out is larger than estimated, because the wheat crop itself has exceeded original estimates. In Northern Alberta, and also to some extent in the northern parts of the other provinces some remarkably good yields were obtained, much higher than had been allowed for in original estimates, and the census also disclosed the fact that the acreage actually planted to wheat was considerably higher than allowed for.

Wheat to qualify for the bonus payment must be delivered before July 31, 1932. This fact is expected to reduce farm reserves at that date to a minimum. Of late years several million bushels of old crop wheat have always been carried over on farms and have been delivered during the following crop year. To carry over wheat this year will mean a loss of the five cent bonus, and a farmer would have to anticipate a rise in price of more than that amount within a few months in order to be induced to hold. Otherwise he will deliver his grain and either sell at once or pay storage at the rate of a cent a bushel per month.

One effect of the bonus has been to increase the price which farmers buying seed wheat locally have had to pay. The bonus is payable only when wheat is delivered to an elevator, and a farmer selling wheat which is not to pass through an elevator naturally demands equivalent compensation.

Wheat Exports to U. K. Doubled for January

Total of wheat shipped abroad by Canada during January was 9,472,346 bushels, with a value of $5,517,082, this comparing with figures for the same month last year of 9,608,852 bushels at $5,430,682, according to the Dominion Bureau of Statistics. Shipments to the United Kingdom were almost doubled at 5,270,000 bus., but this was offset by a reduction in exports to other countries.

Shipments for the six months ending January 31 last, however, were somewhat lighter than in the same period a year ago, totalling 104,520,000 bus., valued at $62,500,000 as against 138,300,000 bus. with a value of $105,440,000. Exports to Great Britain decreased from 85,500,000 to 62,250,000 bus. for the period, but there was a marked decrease in the volume proceeding via U. S. ports for this destination, 37,000,000 bushels comparing with 62,000,000 bushels in the corresponding six months period of 1930. Wheat shipments to other countries via Canadian ports declined from 41 million to 35 million bushels, while the comparatively small volume via U. S. ports was up about 30 per cent at 2,664,500 bushels. Of total exports for the six months, 60,200,000 bushels were shipped from Canadian, and 39,800,000 bushels via U. S. ports.

Canada Power & Paper Units Seek Amendments

From Our Own Correspondent

MONTREAL—Application has been made for the supplementary letters patent on behalf of Anticosti Corp., St. Maurice Valley Corp., Port Alfred Pulp and Paper Corp., and Wayagamack Pulp and Paper Corp., covering arrangement entered into with Consolidated Paper Corp., which was formed to take over the assets and undertakings of Canada Power and Paper Corp. When these letters patent have been issued, steps will be taken to have the scheme approved by the Court and arrangements made for the consolidation of all the activities of Canada Power and Paper under those of Consolidated Paper Corp.

Cartels Weakening In European Paper

National Interests Take First Rank in Operations of European Exporters — Depreciated Currency Big Factor

From Our Own Correspondent

MONTREAL.—European paper cartels are not finding the going easy these days. Theoretically the advantages of a combination are many, but in his report to the United States Department of Commerce, M. H. Lund, commercial attache at Oslo points out that the theory does not work out in practice when national interests clash in international competition, or when circumstances give producers of one country certain advantages over others.

The increasing severity of the world-wide depression, says Mr. Lund in his report, with its shrinking markets and falling prices, has emphasized the disadvantages rather than the advantages of the various industrial cartels in Europe, including those in the pulp and paper industry.

Domestic Cartel Prospers

The organizations controlling domestic sales only have been more successful, however, than the more involved international combinations. In fact, the purely domestic cartel, with most of the respective industry as members, has had very little difficulty. It normally controls the home market and, being protected against foreign competition through high tariffs, is able to fix domestic selling prices.

Co-operation such as is possible through an effective cartel should be of particular advantage during a depression in controlling production, selling prices and joint merchandising efforts. But this theory does not always work out in practice when national interests clash in international competition, or when circumstances give producers of one country certain advantages over others. For instance, the depreciated currencies of the Scandinavian countries are making it almost impossible for Germany, Czechoslovakia, and Austria to compete in selling pulp, and would seem to make the future of the sulphite pulp suppliers' cartel problematical.

Sulphite Paper Problems

The Sulphite Pulp Suppliers, the European unbleached sulphite pulp cartel, was organized during the latter part of 1930, when the most important producers in Norway, Sweden, Finland, Memel, Germany, Czechoslovakia, and Austria joined in an agreement to curtail production according to current demand. The rate of curtailment was first fixed at 15 per cent, and later increased to 30 per cent, at which point it has been since maintained. Until the suspension of the gold standard by the three North European countries, the others were at no special disadvantage, but the situation has now completely changed. So far, the cartel itself continues to exist, and it may not be dissolved, but it is a question as to whether the Central European producers will be able to sell 70 per cent of their output in the face of Scandinavian competition.

Life of Cartel Doubtful

The mechanical pulp cartel, composed of producers in Norway, Sweden, and Finland, has been functioning for several years for the purpose of regulating production of this class of pulp. The original agreement between the members expires on March 31, 1932, and it seems doubtful that it will be renewed. The reason in this case is not that the cartel has failed as such, but rather the fact that important producers in Norway and Sweden has not joined. The members have been obliged to curtail production to 50 per cent of capacity, so as not to create an unsalable surplus, while outsiders have been running at full capacity—and in that way enjoying the full benefit of the cartel members' sacrifice. A year ago a proposal was brought up before the Norwegian Storting to bring the export of certain commodities under government monopoly, with the provision that only members of an authorized trade association would be permitted to export. The proposal was shelved at the time, in the hope that a voluntary arrangement would be reached. All attempts to do this have failed, and it is now quite possible that the Norwegian Storting will pass the proposed export monopoly law. If it does not, and no other agreement with the outsiders is reached, the mechanical pulp cartel is undoubtedly headed for dissolution. All the more so, in that one of the most important Swedish producers resigned from it a short time ago.

This cartel was organized in 1928. Because the members have curtailed their output as the diminishing market requirements demanded, prices have declined less during this period than on other grades of pulp. Recent dissolution rumors have caused a sharp decline, however, and if it should become a fact, it is probable that the market will be thoroughly disorganized.

Maintain Price Level

The price convention on the so-called China cap, which has been in effect between producers in Norway, Sweden, and Finland for several years, has been well maintained during the present depression period. Its members are adhering strictly to the common selling prices, and the management has been able to increase price levels somewhat during the last year, in which it has also been aided by the increased buying power of the Chinese currency and the boycott on Japanese products. Japan has developed into a very active competitor for the Northern European producers of this class of paper, and was taking a larger percentage of the available business each year. The boycott of Japanese products in China, including paper, has been very effective and so far has resulted in a larger demand upon Scandinavian mills. Undoubtedly, the existing price convention has been of considerable benefit in taking advantage of the situation.

A similar price convention existed until approximately a year ago on grease-proof papers, in which German producers had also joined. Because of the keen competition at that time, the minimum prices were often disregarded by members of the conventions, and it was decided to abolish them. The mills that had subscribed to the convention are still maintaining a somewhat loose organization and are considering the re-establishment of minimum selling prices, inasmuch as the China cap convention has been so successful.

Ticon is Inactive

Ticon, the international committee on newsprint, does not seem to have extended its activities during 1931, but has confined itself to the exchange of statistics. It is assumed, however, that there is a tacit understanding with reference to the division of market territories, which has been very difficult to maintain because of the present keen competition for business.

The domestic cartels in Germany and Czechoslovakia have continued in force and appear to be quite effective. Perhaps that is the reason Australian paper manufacturers are more favorably disposed toward forming a similar organization, although the Austrian paper board cartel has not been a success. Australia already has associations in various branches of the paper industry, but without centralized selling.

The present tendency toward commercial isolation through customs tariffs and import restrictions would appear to be an advantage for the domestic cartel, but creates increasing difficulties for those of international scope. If this tendency develops further countries dependent upon exports will find their selling opportunities more and more limited.

AUTO INSURANCE DEBATED IN ONTARIO

New Act Will Provide Better Protection for Third Parties

The new bill to amend the automobile insurance law is now before the Ontario legislature. The effect of the bill, which was drafted by the provincial superintendents of insurance, is limited in provinces such as Ontario, which already has financial responsibility statutes, to incorporating in the Insurance Act provisions relating to motor vehicle liability policies already in operation through the Highway Traffic Act. In other provinces the bill incorporates these provisions in the provincial statutes for the first time, and simultaneous enactment is therefore hoped for.

The provisions are based upon the principle that every insured motorist should be financially responsible to victims of his negligence, and that the insurance company should be absolutely liable to such notwithstanding any default or misrepresentation which would otherwise constitute a valid defence against a claim.

An important feature in the new bill is a sub-section which provides for separate insurance of the guest-passenger either by an ordinary liability policy or by a personal accident coverage. This has been introduced as a means of stopping the growing abuse of so-called "guest claims" made by collusion between the insured motorist and the claimant.

Imports of British Cloth in Better Ratio Recently

The proportion of the Canadian import market for woollen and worsted cloth supplied by English manufacturers steadily increased during the last three months in 1931 while the proportion supplied by foreign manufacturers decreased, according to a bulletin issued by the Canadian Woollen & Knit Goods Manufacturers' Association.

This condition is attributed to depreciated and appreciated currency legislation, combined with exchange, which favors the import of English cloth as against foreign goods. Following table shows comparative percentages of imports for varying periods, on a quantity basis.

Imports of Cloth (Quantities)

	Brit. %	For. %
December, 1931	81	19
Last 3 months, 1931	75	25
Last 9 months, 1931	73	27

CHARTERED TRUST EARNED 7.3 P.C. AFTER CHARGES

Deposits Increased; Rest Account Reduced By $30,000

Chartered Trust & Executor Co. earned $82,060 during 1931, after provincial and municipal taxes and depreciation of furniture and equipment, as compared with $83,592 in 1930. After increased provision for Federal income tax the company had net profit of $73,090 available for dividends and after all charges earned 7.3 per cent on paid up capital of $1,000,000 as compared with 7.8 per cent in 1930. During the year the company took over the business of Quebec Saving & Trust Co. in Montreal.

The balance sheet as at December 31, 1931, shows increase in trust deposits to $1,702,214 from $1,423,465 in 1930 while funds for investment have dropped to $858,385 from $1,763,678. Liabilities under estates, trusts and agencies account have dropped to $17,846,702 from $18,032,918. Liabilities under capital account are down to $1,394,066 from $1,443,186 due chiefly to decrease in rest account of $30,000 which has been applied on reserve for depreciation in market value of securities, reduction in mortgage on office premises amounts to $9,438; while there is a drop of some $8,500 in accounts payable. Income tax reserve has increased to $7.567.

Reduces Loans

Assets in the guaranteed trust account include $941,090 of mortgages which compares with $765,964 in 1930. Bonds and debentures have been increased to $666,100 from $581,495 while loans on collateral securities at $472,786 show material reduction from loans amounting to $1,273,836 in 1930 and cash is down to $480,623 from $565,848. Assets of estates, trusts, and agencies account total $17,846,702.

Included as assets under capital account, office premises are carried at $307,540 as in 1930 and safety deposit vaults at $32,248, while office furniture and fixtures amount to $36,583. Real estate held for sale is down to $1,285 from $2,639; mortgages up to $215,695 from $204,578. Loans on collateral securities are up to $169,320 from $137,185, while government and municipal debentures are shown at $207,657, miscellaneous bonds at $163,565 and stocks at $24,041. Cash on hand amounts to $35,807; advances to trusts, estates and agencies, $171,855 and accounts receivable and deferred commissions to $25,248.

After payment of dividends amounting to 6 per cent on the $100 par value stock, a total of $60,000, the income and surplus account shows $30,000 transferred from rest account to surplus and an amount of $35,000 taken as reserve for depreciation in market value of securities. Provision was also made for $11,471 paid on account of goodwill of business acquired in Montreal leaving surplus carried forward of $2,252 as compared with $5,633 the previous year. Income and surplus accounts for the past two years are as follows:

Profit and Loss Account
Years Ended Dec. 31

	1931 $	1930 $
Net earnings*	†82,060	96,618
Less: Prov. & mun. taxes	......	8,285
Federal tax reserve ...	8,970	5,881
Deprec. write-offs	......	4,741
	73,090	78,211
Less appropriations:		
Dividends	60,000	59,557
Surplus for year	13,090	18,654
Previous surplus	5,633	1,979
Add: Trans. from rest ..	30,000	......
Less: Res. for dep. of secs.	35,000	......
Paid on goodwill‡	11,471	......
Trans. to cap. reserve..	......	15,000
Bal. carried forward	2,252	5,633

*After all management expenses, directors' and auditors' fees, and all other expenses.

†After provincial and municipal taxes.

‡Amount paid on account of goodwill of business acquired by Montreal branch.

Earnings per Share and Dividend Record:

Earned*	$7.30	$7.82
Paid	6.00	6.00

*Based on paid-up capital.

St. Lawrence Corp. Use Canadian Pyrite

From Our Own Correspondent

MONTREAL—St. Lawrence Corp. is now using Canadian Pyrite for the manufacture of cooking liquor for pulp making at the Three Rivers plant.

Utilization of Canadian Pyrite makes it possible to eliminate imports of brimstone used in large quantities in Canadian pulp mills. Horace Freeman, president of the Sulphite Research Corp., was responsible for the design of the special furnace for flash roasting of Pyrite to produce the sulphur dioxide gas required for sulphite cooking liquor in the production of sulphite pulp.

Sutcliffe Company Ltd.
CONSULTING ENGINEERS
and
ONTARIO LAND SURVEYORS
NEW LISKEARD, ONTARIO

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Paper and Pulp Mills
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Steam Power Plants
Plans and Specifications

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Murray Bay, Que.
Beaupre, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Pine Falls, Manitoba
Daily Capacity 2200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Royal Trust Paid Dividends 18 p.c. in 1930

From Our Own Correspondent

MONTREAL. — Disbursements on the capital stock of the Royal Trust Co. in 1931 totalled 18 per cent representing the largest distribution to be made to shareholders since 1928. Regular dividends were paid last year at the rate of 16 per cent, an increase of 3 per cent over the previous year, and the bonus of 2 per cent was maintained.

Capital stock comprises $2,000,000 of shares having a par value of $20 each. Earnings last year showed a shrinkage compared with 1930 but were equal to $4.87 a share against disbursements of $3.60 a share. Share earnings in the previous year were $5.50.

The present shares represent a five for one split undertaken in 1930. An interesting feature of the company's charter is the fact that the price of Royal Trust shares is fixed at each annual meeting and the stock can only be dealt in through, the company. The price fixed for 1932 is $75 a share, unchanged from 1931.

FOOD PRICES PULL RETAIL INDEX DOWN

January, at 1917 Level, Continues Last Year's Steady Fall

Retail prices, as indicated by the index number compiled by the Dominion Bureau of Statistics, moved down in January from 86.1 to 85.6, the 100-mark being the 1926 average. Rents and cost of services have remained practically unchanged in the past several months, though in comparison with January, 1931, last month's rent index dropped from 105.5 to 99.3 while fuel moved down from 95.6 to 94.2.

For 46 food items the index declined from 71.2 in December to 69.6, fractionally higher prices for creamery butter being more than offset by lower quotations for eggs, milk, cheese, lard, some meats, potatoes, tea and coffee.

Among the meats breakfast bacon dropped from 22.3c to 20.8c and cooked ham from 42.4c to 39.6c, per lb. Fresh eggs, "specials" and "extras," were down from 49.5c to 41.8c per doz., while the cooking and storage variety were 36.7c and 32.6c, respectively, for December and January. Butter showed but little change. The upward tendency, however, continued, dairy being 23.7c per lb. in December and 24.3c for January, while creamery advanced from 27.2c to 27.5c per lb.

Milk at 10.7c per quart was one-tenth of a cent lower. Cheese fell from 22.5c to 22.1c, and lard from 13c to 12.8c per lb. Potatoes were down from an average price of 16.1c to 15.8c per peck. Tea was slightly lower at 51.4c per lb., while coffee declined from 45c to 44.6c per lb.

Index number of wholesale prices, also based on 1926=100, moved down from 70.3 in December to 69.4 in January. Sixty quotations were higher, 99 were lower, while 343 remained unchanged.

P. E. I. Poultry Association Active

At the recent annual meeting of the Prince Edward Island Co-operative Egg and Poultry Association it was stated that 1,504,863 dozens of eggs had been handled during 1931.

MONTREAL LOAN DECLARE BONUS ON STOCK IN 1931

Earnings Show Advance Over Those Reported in 1930

From Our Own Correspondent

MONTREAL. — Montreal Loan and Mortgage Co.'s earnings during 1931 were sufficient to permit payment of the regular quarterly dividend of 3 per cent, together with a bonus of 1 per cent on the capital stock of the company.

During the past year, Montreal Loan had profits of $88,109, compared to $87,992 in the preceding year. This was after deducting interest on borrowed capital, expenses of management, together with Dominion income tax, provincial and other taxes, and after making provision for contingencies. Dividends paid in 1931 absorbed $78,000, leaving a balance of $10,109 to be carried forward to the profit and loss balance, which now stands at $45,737.

Assets Slightly Lower

Capital assets of the company showed a slight shrinkage during the year amounting to $2,127,909, as against $2,164,540 at the close of 1930. Mortgages on real estate are down about $14,400 at $2,118,737. A small item of call loans, amounting to $310,000, shown in the 1930 report, has been eliminated. Real estate held by the company is unchanged at $3,000, while cash in bank has declined from $18,893 to $6,172.

Liabilities to shareholders show no change, capital stock standing at $600,000 and reserve fund at $900,000. The profit and loss account balance has increased from $35,628 to $45,737.

Currency Debentures Up

Among liabilities to the public, special deposits have declined from $250,231 to $189,269. Sterling debentures outstanding are unchanged at $48,666, while currency debentures have increased from $290,300 to $302,300. There is little or no change in the balance of the items.

Following is the profit and loss account for the past three years:

PROFIT AND LOSS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Net profits*	88,109	87,992
Less appropriations:		
Dividends	72,000	72,000
Bonus	6,000	6,000
Surplus for year	10,109	9,992
Add: Prev. surplus .	35,628	25,635
Bal. carried forward	45,737	35,628

*After deducting interest on borrowed capital, expenses of management, Dominion, Provincial and other taxes, and after making provision for contingencies.

Earnings per Share and Div. Record:

Earned	$3.67	$3.67
Paid	3+.25	3+.25

Saskatchewan Coal Hoist Gains

The coal industry in Saskatchewan shows an advance. In 1929 approximately 580,000 tons of coal were produced; in 1930, over 570,000 and in 1931 between 625,000 and 650,000 tons. Saskatchewan coal, it is said, is moving to the front, as satisfactory coal for Saskatchewan, Manitoba and Western Ontario.

THIRTY-NINTH ANNUAL REPORT OF THE HOME INVESTMENT AND SAVINGS ASSOCIATION

The Thirty-Ninth Annual Meeting of The Home Investment & Savings Association was held at its head office, Winnipeg, on Monday, February 8th, 1932.

The report of the operations of the Association for the year ended December 31st, 1931, showed net profits, after deducting interest on borrowed capital, expenses of management and Dominion, Provincial and Municipal taxes, of $53,056.16. The attention of the shareholders was called to the strong liquid position of the Company, the current assets being equal to over 76% of combined savings deposits and current liabilities.

BALANCE SHEET AS AT DECEMBER 31st, 1931

ASSETS		
Loans on First Mortgages on Improved Real Estate		$1,350,624.49
Agreements for Sale on Properties foreclosed and resold ...		161,715.20
Interest on Mortgages and Agreements for Sale:		
Accrued due	$ 40,143.63	
Accrued not due	5,617.35	
		45,760.98
Investment Securities (valued by the Directors on the basis authorized by the Superintendent of Insurance for insurance, trust and loan companies):		
Dominion and Provincial Government, Government Guaranteed and Municipal Bonds and Accrued Interest	$157,416.43	
Industrial Bonds and accrued interest...........	38,721.09	
		196,137.52
Home Securities Limited—Stock (subscribed $5,000.00).......		1,640.00
Cash on Hand and in Bank of Montreal		38,731.39
Sundry Debtors		4,471.47
Real Estate		255,848.60
Home Office Building, at cost, less depreciation		110,745.57
Furniture, Fixtures and Automobile		1,540.69
Mortgages to the amount of $112,613.60 are deposited as collateral for Debenture Holders.		
Total		$2,167,215.91

LIABILITIES		
To the Public—		
Debentures and Accrued Interest		$ 325,996.03
Deposits at Call		244,905.06
Deposits for Fixed Term		36,378.68
Sundry Accounts Payable		12,368.58
Provision for Dominion Income Tax		3,840.61
		$ 623,488.96
To the Shareholders—		
Capital Stock paid up (subscribed $1,000,000.00)	$996,400.00	
Reserve Fund	500,000.00	
Contingent Reserve	25,000.00	
Undivided Profits	12,362.95	
Dividend payable Jan. 2nd, 1932	9,964.00	
		1,543,726.95
Total		$2,167,215.91

AUDITORS' REPORT TO SHAREHOLDERS

We have examined the books and accounts of The Home Investment & Savings Association for the year ended December 31st, 1931.

We have confirmed the cash and bank balances and have inspected or otherwise accounted for the securities of the Association.

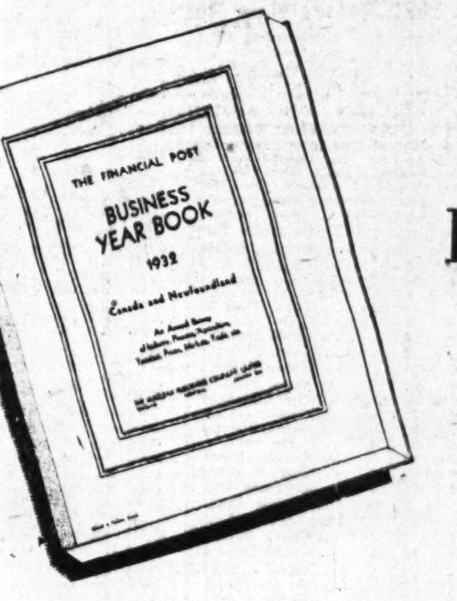
The transactions of the Association which have come under our notice have been within the powers of the Association.

The investment securities are valued by the Directors in the Balance Sheet at December 31st, 1931, on the basis authorized by the Superintendent of Insurance, for insurance, trust and loan companies. On this basis, in our opinion, the appended Balance Sheet at December 31st, 1931, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Association.

PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

BOARD OF DIRECTORS

President M. F. Christie
Vice-President J. L. Bathgate
G. W. Allan, K.C.
W. A. Matheson
R. J. Gourley
John A. Flanders
E. H. Bennest, K.C.
Managing Director, W. E. Hobson



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The British Mortgage and Trust Corporation of Ontario

Summary of Balance Sheet, December 31st, 1931.

ASSETS	
Office premises	$ 89,000.00
Real estate for sale	49,800.00
Mortgages	6,231,540.52
Government Bonds	204,419.57
Canadian municipal bonds	327,784.00
Other bonds and stocks	374,647.88
Advances to estates	3,800.00
Cash on hand and in bank	37,970.53
	$7,318,962.50
Estate investments	566,439.32
	$7,885,401.82

LIABILITIES	
To shareholders:	
Capital stock, fully paid	$1,000,000.00
General reserve fund	825,000.00
Dividend payable 2nd January, 1932	60,000.00
Profit and Loss credit balance	13,157.79
To the public:	
Guaranteed investment receipts	3,280,588.75
Trust deposits	1,896,286.82
Other liabilities	243,929.14
	$7,318,962.50
Estates, trusts, etc.	566,439.32
	$7,885,401.82

REVENUE ACCOUNT FOR 1931	
Brought forward from 1930	$ 43,707.00
Net earnings on 1931 business (After allowance for bad and doubtful accounts)	138,356.79
Premium on sale of capital stock	22,685.00
	$204,748.79
Distributed as follows:	
Dividends at rate of 12% per annum	$119,091.00
Transferred to Investment Reserve	50,000.00
Transferred to General Reserve	22,500.00
Balance carried forward to 1932	13,157.79
	$204,748.79

NELSON MONTEITH,
President.

W. H. GREGORY,
Managing Director.

The Real Estate Loan Company of Canada, Limited

BALANCE SHEET AS AT 31st DECEMBER, 1931

ASSETS		
Real Estate held for sale		$ 36,735.62
Loans on Mortgages—		
Principal	$1,459,361.23	
Interest due and accrued	42,625.29	
		1,501,986.52
Loans on Stocks and Bonds		4,910.08
Dominion of Canada Bonds		15,110.96
Stocks and Canadian Municipality, School District and Rural Telephone Debentures		54,342.64
Cash on hand and in Chartered Banks		34,707.54
Agents in Great Britain		198.88
		$1,647,992.24

LIABILITIES		
To the Public:		
Sterling Debentures and Accrued Interest thereon	$ 715,977.47	
Currency Debentures and Accrued Interest thereon	95,251.41	
Open Accounts and Provision for Accrued Taxes	4,657.33	
		$ 815,886.21
To the Shareholders:		
Capital Stock Subscribed $500,000.00		
Capital Stock fully paid	500,000.00	
Rest	310,000.00	
Dividend No. 90 payable 2nd January, 1932	17,500.00	
Dividends Unclaimed	36.00	
Profit and Loss Account	4,570.03	
		832,106.03
		$1,647,992.24

PROFIT AND LOSS ACCOUNT—For Year Ending 31st December, 1931

Interest paid and accrued on money borrowed		$ 43,027.42
Expenses of money borrowed and lent		3,521.10
Cost of Management and Directors' Compensation		17,878.35
Government and Municipal Taxes paid and accrued, including additional Federal Tax for 1930		6,651.40
Real Estate and Contingent Reserves		6,681.29
Dividends Nos. 89 and 90		35,000.00
Balance carried forward		4,570.03
		$ 117,329.59
Balance forward, 31st December, 1930	$ 7,449.35	
Less: Voted at Annual Meeting to President and Vice-President	1,200.00	
		$ 6,249.35
Income from Interest on Investments		111,080.24
		$ 117,329.59

AUDITORS' CERTIFICATE

We beg to report that we have audited the books and accounts of **THE REAL ESTATE LOAN OMPANY OF CANADA, LIMITED**, for the year ended 31st December, 1931, and have verified the ash, Bank Balances and Securities of the Company. After due consideration, we have formed an dependent opinion as to the position of the Company. In our opinion so formed, and according to e best of our information and explanations given us, we certify that the above Statements set forth irly and truly the state of affairs of the Company and are in accordance with its books. All trans tions of the Company that have come within our notice have been within the powers of the Comapny.

S. W. BLACK,
H. J. WELCH, F.C.A., } Auditors.

WE HEREBY CERTIFY that to the best of our knowledge and belief, the above Statement is rect and shows truly and clearly the financial position of the Company's affairs as at 31st mber, 1931.

W. MICKLE,
President.

H. WILBERFORCE AIKINS,
Vice-President.

E. L. MORTON,
Managing-Director.

oronto, 23rd January, 1932.

WEEK'S CANADIAN STOCK AND BOND QUOTATION

Montreal, Toronto & Curb Markets

WEEK ENDING FEBRUARY 15

Range 1932 High	Range 1932 Low	Divd. Rate in $	Yield in % Feb. 13		Sales	Close Feb. 8 (or last)	Week Ending —Feb. 15— High	Low	Close
3	2½	.	...	Abitibi, c.	30	3	2¾	2¼	2¾
9½	6	.	...	Do. pref.	100	7	8½	7¼	8¼
x105	80	.	...	Do. pref.	....	80½	..	..	..
80	80	7	8.8	Acme F. D'y, p	....	80	..	..	..
x9	5½	.	...	Agnew Surp. c.	....	9	..	..	..
x88	83	7	8.4	Do. pref.	....	83	..	..	..
7	5	.	...	Alta. Pac. Gr.	....	5	..	..	..
25	20	.	...	Do. pref.	10	25	20	20	20
x4	3	.	...	Amal. Electric	....	3	..	..	..
10½	9	.	...	Do. pref.	25	10	9	9	9
x8½	2½	25c	...	Anglo N. Hold.	....	3½	..	..	..
.37	.25	.	...	Asbestos	350	.25	.37	.25	.25
1.00	.65	.	...	Do. pref.	132	.75	.75	.65	.75
6	5½	60c	10	Assoc. Brew.	....	6	..	..	..
68½	68½	7	10.2	Do. pref.	....	68½	..	..	..
x10	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	4+50	...	Assoc. Tel.	....	66	..	..	..
x37½	12½	.	...	Atlan. Sugar*	....	22½	..	..	..
92½	92	.	...	Do. pref.	....	92½	..	..	..
159½	159½	10	6.3	Bk. Can. Nat.*	....	159½	..	..	..
225	215	12	5.6	Bk. Montreal*	....	215	..	..	..
274	267	16	5.9	Bk. N. Scotia*	48	269	269	267	269
193	193	12	6.2	Bk. Toronto*	....	193	..	..	..
x24	8½	.	...	Barcelona Tr.	....	15	..	..	..
2½	2½	.	...	Bathurst Pr.	....	2½	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
‡26	26	.	...	Bawlf Grain	....	..	..	..	..
x25	20	.	...	Do. pref.	....	20	..	..	..
x12	6	.	...	Beath & Sons	....	6	..	..	..
10	10	1	10	Beatty Bros. A	10	10	10	10	10
60	57	6	10	Do. pref.	20	60	60	60	60
3½	2	.	...	Beauharnois	2202	2½	2½	2	2¼
x93	85	7	8.2	Belding Cort.	....	85	..	..	..
x100	90	7	7.8	Do. pref.	....	90	..	..	..
x55	10	.	...	Belgo C. P. pf	....	10	..	..	..
120	119	8	6.7	Bell Telephone*	39	119	119	119	119
2	2	.	...	Biltmore Hats.	....	2	..	..	..
x65	45	7	...	Do. pref.	....	45	..	..	..
4	2	.	...	Bissell, T. E.	....	2	..	..	..
‡97	88	.	...	Do. pref.	....	..	..	..	..
8	5	.	...	Blue Ribbon	85	5	5	5	5
25	12	2	13.3	Do. pref.	85	15	15	12	15
18	17½	2	11.1	Brant. Cd. pf.	....	18	..	..	..
13⅜	10½	1	7.5	Brazilian Tr.	21143	12½	13⅜	12½	13⅜
x¾	¾	.	...	Brew. & Distil.	....	¾	..	..	..
1	½	.	...	Brewing Corp.	....	1	..	..	..
3½	3	.	...	Do. pref.	38	3	3	3	3
10⅜	9⅜	80c	8	Brit. Amer. Oil	3044	10	10½	10	10½
1½	1	.	...	B.C. Packers	45	1	1½	1	1½
6½	4½	.	...	Do. pref.	....	6	..	..	..
26	24	2	8.3	B.C. Power*	660	24	24	24	24
6	5⅜	.	...	Do. (B)	5	6	6	6	6
x8	4½	.	...	Bruck S. Mills	....	4½	..	..	..
20½	17	2	10.8	Building Prod.	110	19	19	18	18
32	30	3	10	Burt, F. N.	10	30	30	30	30
x146	137	6	4.4	Calgary Pr.*	....	137	..	..	..
3	2¼	.	...	Can. Bread	50	2½	2½	2½	2½
85	82	7	8.4	Do. pref. (A)	....	83	..	..	..
25	25	2	8	Do. pref. B.	....	25	..	..	..
9	7	1	12.9	Canada Bud	580	8	8	7½	8
7	5½	.	...	Can. Cement	342	6¼	6½	6⅛	6⅜
66	61	6.50	10	Do. pref.	120	65	65½	64	65½
b13½	10	1.20	9.6	Canada Dry	3200	10	13	10	12½
6	6	.	...	Can. Forg. (A)	140	10	6	6	6
‡16	5	.	...	Do. (B)	....	..	..	..	..
x68	60	3	5	Canada Iron	....	60	..	..	..
x80	75	6	7.5	Do. pref.	....	80	..	..	..
x650	630	20	...	Canada Life	....	630	..	..	..
13	11½	1.50	12	Can. Malting	560	12½	13	12½	12½
x25½	15	80c	4.1	Can. Nor. Pr.*	....	19½	..	..	..
x107	104	7	6.6	Do. pref.	....	106	..	..	..
x6	⅞	.	...	Can. Paving	....	⅞	..	..	..
x51	10⅜	.	...	Do. pref.	....	10½	..	..	..
186	185	12	6.5	Can. Perman.*	....	185	..	..	..
1	½	.	...	Can. Pr. & Pa.	95	½	½	½	½
2	2	.	...	Can. Steamsh's	....	2	..	..	..
9	5	.	...	Do. pref.	1405	9	5	5	5
16	14	1.60	10.3	Can. Vinegar	70	15½	15½	15	15½
55	55	4	7.3	Can. W. Cable*	....	55	..	..	..
18	18	.	...	Do. (B)*	....	18	..	..	..
x16	9½	.	...	Can. Bakeries	....	9⅜	..	..	..
14	12	.	...	Do. pref.	....	13	..	..	..
191	186	12	6.4	Can. Bk. Com.*	1	191	186	186	186
x36½	19	1.25	6.6	Can. Bronze*	....	19	..	..	..
102	102	7	6.9	Do. pref.*	....	102	..	..	..
x13½	8	20c	2.5	Can. Canners*	....	8	..	..	..
80	80	6	7.5	Do. 1st pf.*	....	80	..	..	..
x14	8⅜	68c	7.5	Do. 2nd pf.*	....	9	..	..	..
7½	6½	1	15.4	Can. C. & F'y.	945	6½	6½	6½	6½
16	14⅝	1.75	11.7	Do. pref.	716	15	15¼	14⅞	15⅛
x14½	6	.	...	Can. Celanese	....	6½	..	..	..
x73½	59	7	10.8	Do. pref.*	....	65	..	..	..
x58	30	2	6.7	Can. Convert.*	....	30	..	..	..
‡50	45	.	...	Can. Cottons*	....	..	..	..	..
60	60	6	10	Do. pref.	....	60	..	..	..
13½	12	.	...	Can. Dredge	95	12	13	12	13
x92	92	7	7.6	Do. pref.	....	92	..	..	..
68	68	6	8.8	Can. Fairb. pf.	....	68	..	..	..
4	3½	.	...	Can. For. Inv.	130	3½	4	3½	4
x80	70	8	10.4	Do. pref.	....	77	..	..	..
x300	200	4	2	Can. Gen. Elec.	....	200	..	..	..
58	54	3.50	6.4	Do. pref.	4	55	55	54	55
66	66	6	9.1	Can. Hy. E. pf.*	....	66	..	..	..
1½	1¼	.	...	Can. Ind. Alc.	125	1½	1⅜	1¼	1½
.80	.50	.	...	Do. (B)	....	.65	..	..	..
x5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
x70	64½	5	...	Do. pref.	....	65	..	..	..
x42	15	1	...	Can. Lt. & Pr.	....	25	..	..	..
x18	½	.	...	Can. Locomo.	....	1	..	..	..
x25	⅝	.	...	Do. pref.	....	5	..	..	..
b1½	⅜	.	...	Can. Marconi	8300	⅞	1⅛	¾	1
11	10	1	9.5	Canadian Oil	25	11	10½	10	10
98	98	8	8.2	Do. pref.	....	98	..	..	..
18½	13½	1.25	6.9	Can. Pacific	7536	16½	18	15⅞	17¾
x6½	5	.	...	C. Pr. & P. Inv	....	5	..	..	..
2½	2	.	...	Can. Vickers	....	2½	..	..	..
20½	20¼	.	...	Do. pref.	....	20½	..	..	..
2⅜	2	20c	8.9	Can. Wineries	....	2¼	..	..	..
7½	7	1	14.3	Can. Wire Box	....	7	..	..	..
12	12	.	...	Catelli Mac. A	1228	12	12	12	12
x5	5	.	...	Do. (B)	....	5	..	..	..
x301	290	12+2	4.7	Cent. Can. L'n*	....	300	..	..	..
2.05	1.44	10c	...	Chem. Research	1065	1.55	1.62	1.50	1.62
7.25	6.00	30c(c)	...	Cities Service	....	7.25	..	..	..
6	4½	.	...	Cockshutt Plow	365	5½	5⅝	5	5½
x9	3	.	...	Comm. Alcohol	....	4	..	..	..
8½	3	.	...	Conduits	25	3	3	3	3
x94	84	7	7.8	Do. pref.	....	90	..	..	..
8	6½	1	15.1	Cons. Bakeries	40	7	6⅞	6½	6⅞
1	½	.	...	Cons. Food Pr.	20	1	½	½	½
x6	3	.	...	Do. (A)	....	3	..	..	..
5	4	.	...	Cons. Indust.	95	5	4½	4½	4½
x5	5	.	...	Cons. Paper	....	5	..	..	..
15	15	.	...	Cons. Press	....	15	..	..	..
x80	50	7	14	Cons. Sand. pf.	....	50	..	..	..
72	64	2.50†	3.5	Cons. Smelters	1995	67	72	64	70½
166	153	10	6.5	Consumers Gas	145	155	155	153	153
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	4	...	Do. pref.	....	..	..	..	..
x20½	15	.	...	Corpor. Steel	....	15	..	..	..
‡90	90	.	...	Corr. P. Box pf	....	..	..	..	..
3½	2⅞	.	...	Cosgrave Br.	....	2⅞	..	..	..
5	3¼	.	...	Cosmos Imp.	5	3⅜	3⅛	2⅞	3⅛
68	65	7	10.8	Do. pref.	1	68	65	65	65
3	2⅜	.	...	Crown Dom. Oil	....	2⅜	..	..	..
13	12	8	...	Crow's N. Coal	....	12	..	..	..
x5	3	.	...	David & Fre. B	....	3	..	..	..
x12½	12½	.	...	De Havilland	....	12½	..	..	..
x9	5	.	...	Disher Steel	....	5	..	..	..
x10	10	1.50	...	Do. pref.	....	10	..	..	..
6⅞	3½	.	...	Distill-Seagram	1905	4	4	3½	3⅞
194	194	12	6.2	Dominion Bk.*	....	194	..	..	..
27	27	2.50	9.2	Dom. Bridge*	10	27	27	27	27
x40	40	.	...	Dom. Coal*	....	40	..	..	..
22½	21	.	...	Dom. Engineer	5	22	21	21	21
‡14	10	.	...	Dom. Found.	....	..	..	..	..
x126	82	5	6.1	Dom. Glass*	....	82	..	..	..
112	100	7	7	Do. pref.	....	100	..	..	..
5½	3	40c	11.4	Dom. Motors	250	3½	3½	3½	3⅜
7½	5	.	...	Dom. Pr. Stubs	....	5	..	..	..
x24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
2½	1⅞	.	...	Dom. St. & CB	360	2	2	1⅞	2
18	16¼	1.20+30c	8.6	Dom. Stores	744	17⅞	18	17	17⅞
4	4	.	...	Dom. Tar & Ch	10	5¾	4	4	4
x95	79½	6.50	8.2	Do. pref.	....	79½	..	..	..
63½	63½	5	7.9	Dom. Textile*	....	63½	..	..	..
x123	120	7	5.8	Do. pref.	....	120	..	..	..
x12	10	.	...	Donnacona	....	10	..	..	..
2	1½	.	...	Dryden Pap.*	225	1½	1½	1½	1½
4	4	.	...	Duff. Paving	....	4	..	..	..
49	49	7	14.3	Do. pref.	10	..	49	49	49
x25½	16	1	...	East. Dairies.*	....	20	..	..	..
x20	16	50c	...	East. Steel	....	16	..	..	..
x100	97	7	7.1	Do. pref.	....	98	..	..	..
20	20	.	...	East Koot. Pr.	....	20	..	..	..
x97	94½	7	...	Do. pref.	....	96	..	..	..
‡34	28½	2	...	East. Theatres	....	..	..	..	..
‡85	80	7	...	Do. pref.	....	..	..	..	..
x3¾	3½	.	...	Easy Washer	....	3½	..	..	..
x37	34⅞	1.75	4.7	Economic Inv.*	....	37	..	..	..
x15	15	.	...	Edmonton D'y	....	15	..	..	..
x80	78⅞	6.50	8.3	Do. pref.	....	78⅞	..	..	..
x8	5	.	...	Enam. & Heat.	....	5	..	..	..
19	19	3	15.8	Eng. Electric	....	19	..	..	..
2½	2½	.	...	Do. (B)	....	2½	..	..	..
x39½	16	2	...	Fam. Players	....	18	..	..	..
x33½	18	2	...	Do. Vot. Tr.	....	18	..	..	..
10	10	1	10	Fanny Farmer	....	10	..	..	..
29	28	2.40	8.6	Do. pref.	....	28	..	..	..
‡83½	75	.	...	Firstbrook Box	....	..	..	..	..
15½	11	.	...	Ford Motors A	6070	13⅞	15½	13	15⅛
3⅜	3⅛	.	...	For. Pr. Secs.	....	3⅛	..	..	..
x16½	8	1	11.1	Foundation Co.	....	9	..	..	..
1½	1	.	...	Fraser Cos.	300	1	1	1	1
x8	5	.	...	Frost Steel	....	7	..	..	..
x96½	85	7	8.2	Do. pref.	....	85	..	..	..
2½	2	.	...	Gen. St. Wares	770	2	2⅜	2	2
79	70	5	6.4	Goodyear Tire.	80	70	79	75	75
90	80	7	7.8	Do. pref.	19	87½	90	88	90
x93½	93½	7	...	Gould Pumps p	....	93½	..	..	..
⅜	⅜	.	...	Gt. W. Saddlery	....	⅜	..	..	..
x8	6	.	...	Do. pref.	....	8	..	..	..
21	21	2	9.5	Gurd. Chas.*	....	21	..	..	..
5	3⅞	.	...	Gypsum, Lime.	95	5	4	3⅞	4
7	7	.	...	Ham. Bridge	....	7	..	..	..
x80	63	6.50	10.1	Do. pref.*	....	64	..	..	..
10	10	.	...	Ham. Cot., pf.	....	10	..	..	..
1½	1½	.	...	Ham. U. Theat	20	1	1½	1½	1½
53	51	7	13.7	Do. pref.	10	60	53	51	51
4	3½	.	...	Hayes Wheel	....	3½	..	..	..
‡95	80	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.*	....	..	..	..	..
1¼	1	.	...	Hinde & Dauch	5625	1	1⅛	1	1
x75	75	.	...	Holt Renfrew	....	75	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3⅜	3	.	...	Honey Dew	260	3	3	3	3
40	37	7	...	Do. pref.	5	40	37	37	37
3½	3	.	...	H. Smith Pap.	50	3	3	3	3
27	22	.	...	Do. pref.	....	22	..	..	..
21½	21	2.40	11.4	Humberstone S	10	21	21	21	21
x23½	17	1.40	8.2	Hunt (A)	....	17	..	..	..
x23½	18½	1.40	7.6	Do. (B)	....	18½	..	..	..

Range 1932 High	Range 1932 Low	Divd. Rate in $	Yield in % Feb. 13		Sales	Close Feb. 8 (or last)	Week Ending —Feb. 15— High	Low	Close
x150	143	8	5.5	Huron & E. M*	....	144	..	..	..
x29½	28	.	...	Do. 20% paid*	....	28	..	..	..
9½	8⅞	.	...	Hydro Electric	....	9½	..	..	..
193	188	12	6.4	Imperial Bank*	4	188	188	188	188
10½	9⅜	50c	5	Imperial Oil	8811	9⅝	10	9⅜	9⅝
9⅞	7¼	35c	..	Imperial Tob.	620	7⅞	9⅛	7⅞	9⅝
80	80	8	10	Inter. Coal, p.	....	80	..	..	..
x29	9⅜	2a	...	Int. Hyd. E. A	....	9⅛	..	..	..
96	96	7	7.3	Inter. Mill. pf.	....	96	..	..	..
x80	80	6	7.5	Do. Series. A	....	80	..	..	..
11	8½	.	...	Inter. Nickel	17722	8½	10	8½	9
4	4	.	...	Inter. Paints	....	4	..	..	..
b2½	1⅛	.	...	Int. Pa. & Pr A	1100	2⅛	2⅜	2	2
b1	1	.	...	Do. (B)	100	1	1	1	1
b⅞	⅜	.	...	Do. (C)	....	⅜	..	..	..
b11	7¼	.	...	Do. pref.	600	7¾	8¾	8¾	8½
11⅝	10½	1	9.1	Inter. Pete.	1501	10⅞	11	10½	10⅝
x8	5	.	...	Inter. Power	....	5	..	..	..
x78	56½	.	...	Do. pref.*	....	57	..	..	..
8	6½	.	...	Int. Util. (A)	50	7	6½	6½	6½
3	2	.	...	Do. (B)	....	2	..	..	..
x40	40	1	2.5	Jam. Pub. Ser*	....	40	..	..	..
x109	99⅞	7	7	Do. pref.*	....	100	..	..	..
4	3½	.	...	Kelvinator	30	3	4	3½	4
90	88	7	7.8	Do. pref.	20	88	90	88	90
7	6	.	...	Lake of Woods	....	6	..	..	..
x101	82	.	...	Do. pref.	....	85	..	..	..
x140	140	8	5.7	Landed Bank.*	....	140	..	..	..
38	36	3	7.9	Laura Secord	5	36½	38	38	38
8	5	1	19.5	Lindsay, C. W.	....	5⅛	..	..	..
60	60	6.50	10.8	Do. pref.	....	60	..	..	..
10⅞	9⅞	80c	8.1	Loblaw (A)	761	10	10	9⅞	10
10½	9	80c	8.9	Do. (B)	469	9	9¼	9	9
‡2⅞	2⅜	.	...	Loew's, London	....	..	..	..	..
x25	10	.	...	MacKin. Steel.	....	20	..	..	..
x95	90	7	7.7	Do. pref.	....	91	..	..	..
6½	6½	.	...	Manitoba Pr.	....	6½	..	..	..
2	2	.	...	Maple Leaf	....	2	..	..	..
20½	12	.	...	Do. pref.	30	15	15	15	15
x38	30	.	...	Marcus Loew's	....	38	..	..	..
x73	70	.	...	Do. pref.	....	73	..	..	..
4½	3½	.	...	Massey-Harris	3370	3⅞	4½	3⅞	4
10½	9⅜	60c	6.3	McColl Fron.	638	9⅞	9⅞	9⅞	9½
x80	69½	6	7.9	Do. pref.	....	76	..	..	..
x45	35	.	...	Mexican L & P	....	35	..	..	..
‡25	25	.	...	Mercury Mills.	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	2	5	Mitchell, J. S.*	....	40	..	..	..
x105	104	7	6.7	Do. pref.	....	105	..	..	..
8	6½	1	15.4	Mitchell, Robt.	125	8	6½	6½	6½
x1	1	.	...	Monarch Knit.	....	1	..	..	..
30	27½	.	...	Do. pref.	10	30	27½	27½	27½
x95½	83½	6	6.5	Montreal Cot.*	....	92	..	..	..
x102	98	7	7	Do. pref.*	....	100	..	..	..
2½	2½	.	...	Montreal Exhib.	....	2½	..	..	..
x20	14	.	...	Mont. Is. Pr.	....	14	..	..	..
38	36	1.50	4.2	Mont. L. & Pr.*	980	36	36	36	36
x49½	48	8+25	6.8	Montreal Loan	....	48	..	..	..
47	44¼	3.20	7.1	Montreal Tele.	5	44½	45	45	45
150	140	10	7.1	Mont. Trams.	10	150	140	140	140
10	9	1	10.5	Moore Corp. c.	32	9½	9½	9½	9½
93	93	7	7.5	Do. (A)	....	93	..	..	..
97	95	7	7.4	Do. (B)	....	95	..	..	..
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	1	...	Do. pref.	....	..	..	..	..
2	1½	10c	...	Muirheads	435	1½	2	1½	2
8	8	75c	9.4	Do. pref.	....	8	..	..	..
24	24	1.60	6.7	Nat. Brew.*	230	24	24	24	24
x35	27	1.75	5.6	Do. pref.*	....	31	..	..	..
‡10	3	.	...	Nat. Brick	....	..	..	..	..
x19	5	.	...	Do. pref.	....	5	..	..	..
x.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
12½	10	2	20	Nat. Steel Car*	125	10	10	10	10
255	245	14	5.7	National Tr.*	....	245	..	..	..
10	10	1	10	Niag. W. Weav.	....	10	..	..	..
x36	22	3	9.4	Do. pref.	....	32	..	..	..
2.50	2.00	.	...	North Star Oil	....	2.25	..	..	..
x4.95	4.00	35c	8.2	Do. pref.	....	4.25	..	..	..
‡25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
x285	125	8	4.3	Ogilvie Flour*	....	185	..	..	..
x130	116⅝	7	6	Do. pref.	....	117	..	..	..
9	7	40c	4.4	Ont. Eq. 10% p	50	9	9	8	9
x120	113	6	5.1	Ontario Loan*	....	117	..	..	..
x7	5	.	...	Ont. Silknit	....	7	..	..	..
x16	13	.	...	Ont. Steel	....	13	..	..	..
‡105	105	7	...	Do. pref.*	....	105	..	..	..
x1½	¾	.	...	Orange Crush.	....	¾	..	..	..
45	44	7	15.9	Do. (A)	....	44	..	..	..
5½	1	.	...	Do. (B)	....	1	..	..	..
x110	90	6	5.7	Ott. L H & P*	....	105	..	..	..
x105½	102	6.50	6.3	Do. pref.	....	103	..	..	..
x25	25	.	...	Ott. Traction	....	..	..	..	..
68	49½	5	9.2	Page Hersey	1042	50	54½	49½	54½
x49	21½	2.50d	...	Paramount	....	21½	..	..	..
x35	30	.	...	Paton Mfg.	....	30	..	..	..
x94	82	7	7.4	Do. pref.	....	94	..	..	..
x½	½	.	...	Pelissiers	....	½	..	..	..
x30	25	.	...	Do. pref.	....	30	..	..	..
x73	31	3	9.1	Penmans*	....	33	..	..	..
x101	93	6	6.2	Do. pref.	....	97	..	..	..
x.75	.50	.	...	Perfec. Glass	....	.50	..	..	..
18½	18	2	11.1	Photo Eng.	20	18½	18½	18	18
x40	10	.	...	Port Alfred, pf.	....	10	..	..	..
x70	64	7	10	Porto Rico P. p	....	70	..	..	..
b9	4½	.	...	Postal Tele.	....	..	..	..	..
36½	36½	2	5.5	Power Corp.*	....	36½	..	..	..
90	90	6	6.7	Do. pref.	....	90	..	..	..
2	2	.	...	Prairie C. Oil.	60	2	2	2	2
7⅞	7½	25c	3.2	Pressed Metals	10	7½	7½	7½	7½
x42½	25	.	...	Price Bros.*	....	25	..	..	..
x99	70	6.50	9.3	Do. pref.*	....	70	..	..	..
29	29	2	6.9	Quebec Power*	....	29	..	..	..
x110	105	7	6.7	Real Estate L*	....	105	..	..	..
2	1	.	...	Regent Knit.	....	1	..	..	..
x10	5½	.	...	Reliance Grain	....	9	..	..	..
10½	10	2	20	River S. Mills.	....	10	..	..	..
12	12	1.50	12.5	Robinson Cone	....	12	..	..	..
x16½	9	.	...	Rogers Majest.	....	9	..	..	..
x291	231	12	5.2	Royal Bank*	....	231	..	..	..
x84	75	7	...	Ruddy, E. L. p	....	75	..	..	..
x77½	32	2	5.7	Russell Motor	....	35	..	..	..
70	67	7	10.4	Do. pref.	5	67	67	67	67
3	3	.	...	Sarnia Br. (A)	25	..	3	3	3
‡12	5	.	...	Do. (B)	....	..	..	..	..
7	5	.	...	Serv. Station	290	5½	6	5⅜	6
46	45	6	13	Do. pref.	60	46	46	46	46
33	33	2	6.1	Shawinigan*	25	33	33	33	33
20	17	1.60	9.1	Sher.-Wms.	....	17	..	..	..
x121	112	7	6.1	Do. pref.	....	115	..	..	..
17	17	.	...	Simon & Son*	....	17	..	..	..
x92	88½	7	7.7	Do. pref.*	....	91	..	..	..
55½	43	6.50	15.1	Simpsons Ltd.	....	43	..	..	..
x44½	36	.	...	Do. (A)	....	36	..	..	..
x35½	24½	.	...	Do. (B)	....	29	..	..	..
x108	100	6	5.8	Simpson, Robt.	....	103	..	..	..
1.00	.75	.	...	St. Law. Corp.	....	.80	..	..	..
4	2⅜	.	...	Do. (A)	125	4	3½	3½	3½
x20	16	.	...	St. Law. Flour	....	16½	..	..	..
x85	82	7	8.2	Do. pref.	....	85	..	..	..
11	9	.	...	St. Law. Pap. p	150	9½	10½	10¼	10½
x30	4	.	...	St. Maur. V. p	....	4	..	..	..
25	25	1	4	So. Can. Pr.*	....	25	..	..	..
x106½	104	6	5.7	Do. pref.	....	105⅜	..	..	..
3	2⅛	.	...	St. Pav. & Mat.	125	2¼	2½	2¼	2¼
x80	55	7	11.7	Do. pref.	....	60	..	..	..
x1	1	.	...	Stanfords	....	1	..	..	..
4	4	1	...	Stand. Chem.	....	4	..	..	..
2⅜	2	.	...	Stand. Steel	10	2¼	2⅞	2⅞	2⅞
x35	30	3	10	Do. pref.	....	30	..	..	..
22	20	1.75	8.3	Steel of Can.*	960	20	21	20	21
29	26	1.75	6.4	Do. pref.	177	27½	27½	26	26
⅞	⅞	.	...	Sterling Coal	....	⅞	..	..	..
18½	15⅞	1	6.2	Sup. Pet. ord.	130	17	17	15⅞	16
98	95	7	7.1	Do. pref.	....	98	..	..	..
x31	14	1	6.7	Do. com.	....	15	..	..	..
x49	41	.	...	Tamblyn	....	49	..	..	..
100½	100	7	7	Do. pref.	....	100	..	..	..
x18	6½	3.50	19.4	Thayers, pref.	....	18	..	..	..
[illegible]	[illegible]	.	...	Tip Top Tailors	....	7	..	..	..
x90	77	7	8.4	Do. pref.	....	83	..	..	..
x22	10	.	...	Tooke Bros.	....	10	..	..	..
x67	48½	.	...	Do. pref.	....	48½	..	..	..
12	11	.	...	Tor. Elevators.	5	12	11	11	11
210	210	12	5.7	Tor. Gen. Tr.*	1	210	210	210	210
x115	108	6	5.4	Toronto Mtge.*	....	110	..	..	..
x3	1	.	...	Traymore	....	1½	..	..	..
x12½	7	.	...	Do. pref.	....	7	..	..	..
x130	120	7	5.5	Tuckett Tob. p	....	128	..	..	..
4	3½	.	...	Twin City	100	3½	4	4	4
b24½	13	7	..	Do. pref.	....	..	..	..	..
x45	28	.	...	Do. (notes).	....	35	..	..	..
5	4	.	...	Union Gas.	160	4	4½	4	4
x101½	98	7	7	Union Trust*	....	100½	..	..	..
x8	8	.	...	United Fuel	....	6½	..	..	..
15	10	.	...	Do. pref.	....	10	..	..	..
x62½	40	2	5	United Secs.	....	40	..	..	..
11	10	.	...	Viau Biscuit	20	10	10	10	10
75	75	7	9.3	Do. pref.*	5	70	75	75	75
12	12	.	...	Wabasso Cot.	....	12	..	..	..
3⅞	2⅞	25c	7.7	Walker-Good.	9300	2⅞	3⅛	2⅞	3⅛
3⅜	3	.	...	Waterloo Mfg.	35	3⅜	3	3	3
x45	30	1	2.6	Weston Bisc.*	....	38	..	..	..
x90	79	7	8.9	Do. pref.*	....	79	..	..	..
8	7	.	...	West. C. Flour.	10	8	7	7	7
x96	70	6.50	9.3	Do. pref.	....	70	..	..	..
10	10	.	...	West. Grocers.	....	10	..	..	..
43	43	7	16.3	Do. pref.	....	43	..	..	..
x91	85	.	...	W. Steel Pr. p	....	91	..	..	..
‡9	9	.	...	Whittall Can.	....	..	..	..	..
x13	10	.	...	Windsor Hotel*	....	12	..	..	..
x73	71	6.50	9.1	Do. pref.*	....	71	..	..	..
8	6	.	...	Winnipeg Elec.	65	6	6	6	6
x81½	49	.	...	Do. pref.*	....	50	..	..	..
x40	36	.	...	Woods Mfg. p.	....	36	..	..	..
x80	80	.	...	Wood, Alex, Jp	....	80	..	..	..
‡2⅛	1½	.	...	Zimmerknit	....	..	..	..	..
x7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1930.
d Stock div.
c/2½c monthly plus stock dividend of ½ of 1% monthly.
† Plus stock bonus.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Winnipeg Stock Exchange

February 12 1932

	Bid	Ask
Beaver Fire	..	115
Beaver Lumber c.	6	..
Can. Amer. Tr. sh.	..	3¾
City Dairy (Wpg.) pref. 7%	..	65
Corporate Steel c.	..	5
Crescent Cream. pf.	..	85
Home Investment	..	50

	Bid	Ask
Monarch Life	25	28
North. Trust	..	24
Un. Gr. Growers	..	13
West. Breweries	1½	..
Fund. Tr. shs. A	..	3⅝
Do "B"	..	3⅞
Grouped Inc. Shs.	..	4.32

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Bank of Nova Scotia	16%	4%	Apr. 1	Mar. 16
Bk. Can. Nationale	10%	2½%	Mar. 1	Feb. 15
Bank of Montreal	12%	3%	Mar. 1	Jan. 30
Borden's	$3	75c	Mar. 1	Feb. 15
Bank of Toronto	12%	3%	Mar. 1	Feb. 15
Brazilian Tr. ord.	$1	25c	Mar. 1	Jan. 30
Belding Corticelli pfd.	7%	1¾%	Mar. 15	Feb. 29
Can. Pacific Railway	$1.25	31¼c	Apr. 1	Mar. 1
Do., pref.	4%	2%	Apr. 1	Mar. 1
Can. Silk Products "A"	$1.50	37½c	Mar. 1	Feb. 15
Canadian Car, c.	$1	25c	Feb. 29	Feb. 15
Can. Wire & Cable "A"	$4	$1	Mar. 15	Feb. 29
Do., pref.	6½%	1⅝%	Mar. 15	Feb. 29
Canadian Car, pref.	$1.75	44c	Apr. 9	Mar. 26
Can. Hydro Elec. 1st pfd.	6%	1½%	Mar. 1	Feb. 1
Canadian Oil, pref.	8%	2%	Apr. 1	Mar. 19
Can. Bank of Commerce	12%	3%	Mar. 1	Jan. 31
Capital Trust, c.	$5	$5	Mar. 1	Dec. 31
Canada Bread, "B"	$2	50c	Mar. 1	Feb. 15
Crow's Nest Coal	$3	75c	Mar. 1	Feb. 10
Collingwood Terminals pfd.	7%	1¾%	Feb. 27	Feb. 15
Cities Service, com.	30c	2½c	Mar. 1	Feb. 15
Do., stk. div.	6%	½%	Mar. 1	Feb. 15
Canada Iron Foundries	$3	$1.50	Mar. 15	Feb. 29
Do., pref.	$6	$3.00	Mar. 15	Feb. 29
Canada Vinegars	$1.60	40c	Mar. 1	Feb. 15
Dome Mines	$1	25c	Apr. 20	Mar. 31
Dominion Bridge	$2.50	62½c	May 16	Apr. 30
Eastern Theatres, com.	$2	50c	Mar. 1	Jan. 30
East Koot. Pr., pref.	$7.00	$1.75	Mar. 15	Feb. 29
Hollinger Cons. Mines	65c	5c	Feb. 25	Feb. 11
Imperial Oil (coupon 32)	50c	12½c	Mar. 1	Feb. 12
Inter. Milling, pref.	7%	1¾%	Mar. 1	Feb. 20
Do., pref. "A"	6%	1½%	Mar. 1	Feb. 20
Inter. Petroleum (coupon 32)	$1	25c	Mar. 15	Feb. 29
Do., pref.	$1	25c	Mar. 15	Feb. 29
Lake Shore Mines	$2	50c	Mar. 15	Mar. 1
Lindsay, C. W.	$1	25c	Mar. 1	Feb. 15
Do., pref.	6½%	1⅝%	Mar. 1	Feb. 15
Laura Secord, c.	$3	75c	Mar. 1	Feb. 15
Loblaw Groc. c. "A"	80c	20c	Mar. 1	Feb. 12
Do., com. "B"	80c	20c	Mar. 1	Feb. 12
Legare, P. T., pref.	$7	$1.75	Mar. 1	Feb. 15
Mexico Trams. 5% 50-yr. bonds	...	Int.	Mar. 1	......
Muirhead Cafeterias	10c	10c	Mar. 1	Feb. 15
Do., pref.	75c	25c	Mar. 1	Feb. 15
Montreal Loan & Mtge.	12+1%	3+1%	Mar. 15	Feb. 29
McColl Fron., c.	60c	15c	Mar. 15	Feb. 15
McIntyre Mines	20%	5%	Mar. 1	Feb. 1
National Biscuit pfd.	7%	$1.75	Feb. 29	Feb. 11
Do., com.	$2.80	70c	Apr. 15	Mar. 18
N. S. Light & Pr. pfd.	$6	$1.50	Mar. 1	Feb. 13
Ogilvie Flour Mills pfd.	$7	$1.75	Mar. 1	Feb. 22
Power Corp., com.	$2	50c	Feb. 20	Jan. 30
Page Hersey	$5	$1.25	Apr. 1	Mar. 19
Do., pref.	$7	$1.75	Apr. 1	Mar. 19
Provincial Bank	$9	$2.25	Mar. 1	Feb. 15
Photo Engravers	$2	50c	Mar. 1	Feb. 15
Rolland Paper, pref.	$6	$1.50	Mar. 1	Feb. 15
Royal Bank	12%	3%	Mar. 1	Jan. 30
Simon, H. & Sons, pref.	7%	1¾%	Mar. 1	Feb. 20
Siscoe Gold Mines	...	4c	Mar. 31	Mar. 21
Standard Clay Prod. c.	$2	$2	Feb. 15	Jan. 30
Do., extra	...	$2	Feb. 15	Jan. 30
Simcoe Tobacco, pfd.	...	7%	Mar. 1	Feb. 15
Western Empire Life Assur.	4%	4%	Mar. 1	......
Walker, Hiram	25c	6¼c	Mar. 15	Feb. 22
Windsor Hotel, pref.	$6.50	$1.62½	Mar. 1	Feb. 15

Dividends Passed or Deferred:

Canada Wire & Cable, Class "B" Mar. 15 passed. Last paid 25c. Dec. 15, 1931.

Upper Canada Investment pref. Payment due Mar. 1 not declared. Future payments may be semi-annual. Last payment 43¾c. Dec. 1, 1931.

Simon, H. & Sons, com., Mar. 1 passed. Last paid 62½c. Dec. 1, 1931.

David & Frere "A" com. Mar. 15 passed. Last paid 25c. Dec. 15, 1931.

International Nickel, com. Mar. 31 passed. Last paid 5c. Dec. 31, 1931.

Union Gas, com., Mar. 10 passed. Last paid 25c. Dec. 10, 1931.

Dividend Rate Reduced:

Can. Car. com., 25c. Feb. 29, reduced from $1.75 to $1 per annum.

Extra Dividends:

Montreal Loan & Mortgage 1% March 15.
Standard Clay Products, com., $2 Feb. 15.

Active Current Bond Prices

February 15, 1932

	Bid	Asked	Yield
Dominion of Canada 5½/33	100½	100⅝	5.05
Dominion of Canada 5½/34	99¾	100.	5.50
Dominion of Canada 5/43	95½	96.	5.46
Dominion of Canada 4½/46	90.	91.	5.43
Dominion of Canada 4½/56	88½	89½	5.32
Dominion of Canada 5/36	97.	97½	5.58
Dominion of Canada 5/41	96.	96½	5.47
C. N. R. (Dom. of Can. Guar.) 4½/51	88.	88½	5.45
C. N. R. (Dom. of Can. Guar.) 4½/55	90½	91.	5.43
C. N. R. (Dom. of Can. Guar.) 5/54	92½	93.	5.55
C. N. R. (Dom. of Can. Guar.) 5/69	94.	94⅝	5.33
Province of Ontario 5/48	93.	95.	5.47
Province of Ontario 5½/47	98½	98½	5.63
Province of Ontario 6/35	100½	100½	5.85
Province of Ontario (Hydro) 4½/70	84½	86.	5.65
Province of Quebec 4½/56	87.	89.	5.30
City of Montreal 6/41	100.	102.	5.70
Abitibi Power & Paper 5/53	4.	44.	...
Argentine Gov't. (Ser. B) 6/58	50½	53.	...
Beauharnois Power 6/59	53.	57.	10.53
Bell Telephone Co. of Canada 1st, 5/57	100.	102.	4.85
Brazil, U. S. of, Ext. S. F. 6½/57	16½	17½	...
British Columbia Power 5/60	79.	83.	6.30
British Columbia Power 5½/60	85.	90.	6.25
British Columbia Telephone 5/60	88.	92.	5.55
Calgary Power 5/60	78.	83.	6.30
Canada Cement 1st Mtge. S. F. 5½/47	88.	91.	6.60
Canada Northern Power Corp. 5/53	75.	80.	6.85
Canada Steamship Lines 6/41	85.	40.	...
C. P. R. Collateral Trust 5/54	83.	86.	6.15
C. P. R. Secured 4½/44 Notes	76.	81.	6.45
Chile Republic Ext. S. F. 6/60	10½	12.	...
Columbia Republic Ext. S. K. 6/61	23¼	24½	...
Davies, Wm. 6/42	75.	80.	9.00
Dominion Canners 6/40	96.	100.	6.00
Dominion Square Corporation 6/48	60.	65.	10.30
Dominion Tar & Chemical 6/49	76.	80.	8.25
Dominion Textile 6/49	97.	100.	6.00
Duke Price Power 1st, 6/66	81.	87.	7.00
Eastern Dairies, Ltd., Conv., 6/49	86.	92.	6.80
Eaton, T. Realty 5/49	84.	90.	5.90
Famous Players 6/48	68.	76.	8.80
Federal Grain 6/49	60.	70.	9.10
Foreign Power Securities Corp. 6/49	60.	75.	8.80
Fraser Companies 6/50	35.	45.	...
Gatineau Power, 1st Mtge. 5/56	76.	79.	6.73
Gatineau Power, S. F. Debs. 6/41	66.	70.	11.00
General Steel Wares 6/52	35.	40.	...
Howard Smith Paper Mills 5½/53	56.	63.	9.50
Harris Abattoir 6/47	75.	85.	7.75
Manitoba Power, 1st S. F. 5½/51	60.	70.	8.75
Maple Leaf Milling 5½/49	59.	65.	9.30
Massey-Harris 1st Mtge. 5/47	64.	72.	8.30
MacLaren Quebec Power 5½/61	77.	81.	7.00
Montreal Coke, 1st S. F. 5½/47	94.	98.	5.70
Montreal Island Power 5½/57	86.	89.	6.40
Montreal Light, Heat & Power 5/51	95.	98.	5.15
Montreal Tramways 1st Coll. Trust 5/41	90.	93.	6.00
Montreal Tramways Gen. Ref. 4½/55	70.	75.	6.60
Montreal Tramways 5/55	78.	82.	6.50
Moodie, J. R. 6/48	85.	90.	7.00
Ogilvie Flour Mills 6/32	...	...	...
Ontario Power Service 5½/50	64.	68.	9.10
Ottawa Valley Power 5½/70	89.	92.	6.05
Power Corporation of Canada 4½/59	60.	67.	7.30
Price Bros. 1st S. F. Ser. "A" 6/43	50.	60.	11.60
Quebec Power 1st Mtge. Coll. S. F. 5/68	83.	86.	5.95
Shawinigan Water & Power 4½/70	84.	89.	5.15
Shawinigan Water & Power 5/70	94.	98.	5.12
Simpsons 6/49	78.	85.	7.50
Southern Canada Power 1st, 5/55	90.	96.	5.30
United Securities Coll. Trust 5½/52	80.	90.	6.37
West Kootenay Power 5/56	84.	88.	6.00
Windsor Hotel 6½/43	90.	100.	6.50
Windsor Hotel 6/47	85.	90.	7.10
Winnipeg Electric 5/35	90.	100.	5.00
Winnipeg Electric 6/54	60.	70.	9.20

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Limited,
Canada Permanent Bldg., Toronto, Ont.
February 15, 1932

Provinces	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
*Alberta	4½	1 Oct., 1958	1 April	78.40	6.15
Alberta	5	1 July, 1943	1 July	90.60	6.15
Alberta	6	1 Apr., 1936	1 April	99.05	6.25
*British Columbia	4½	1 Oct., 1953	1 April	80.75	6.10
*British Columbia	5	15 Jan., 1948	15 July	88.85	6.10
British Columbia	6	15 Aug., 1941	15 Feb.	98.00	6.25
Manitoba	4	1 July, 1947	1 July	78.30	6.20
*Manitoba	5	2 Dec., 1959	2 June	84.15	6.20
Manitoba	4½	1 Oct., 1940	1 April	88.90	6.20
*New Brunswick	4	1 June, 1948	1 June	84.35	5.45
*New Brunswick	4¾	15 June, 1936	15 June	97.25	5.45
New Brunswick	6	1 Jan., 1936	1 July	101.40	5.60
*Nova Scotia	4½	15 Nov., 1948	15 May	89.05	5.50
Nova Scotia	5	1 May, 1943	1 May	95.80	5.50
*Nova Scotia	6	1 Nov., 1936	1 May	102.15	5.50
*Ontario	4½	1 Sept., 1944	1 Mar.	93.00	5.25
Ontario	5	15 Oct., 1948	15 Apr.	94.00	5.55
Ontario	6	2 May, 1936	2 May	100.50	5.85
P. E. I.	4	1 Apr., 1939	1 Apr.	87.50	6.10
P. E. I.	4½	1 Oct., 1944	1 Apr.	85.80	6.10
*Quebec	4¼	1 May, 1961	1 May	86.42	5.15
Saskatchewan	4½	1 Oct., 1944	1 Apr.	84.58	6.25
Saskatchewan	5	1 Oct., 1950	1 Apr.	86.20	6.25
Saskatchewan	6	1 Feb., 1936	1 Aug.	98.80	6.35
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	92.50	5.50
*Toronto	4½	1 Jan., 1955	1 July	85.85	5.60
*Vancouver	5	15 Jan., 1970	15 July	83.80	6.10
Winnipeg	5	1 Mar., 1944	1 Mar.	88.85	6.30
*Edmonton	5½	1 Apr., 1947	1 Apr.	88.65	6.80
Calgary	5	1 Jan., 1943	1 July	86.20	6.80
Halifax	6	1 July, 1951	1 July	98.85	6.10
St. John	5	15 Dec., 1950	15 June	87.72	6.10
Regina	4½	1 July, 1950	1 July	76.00	6.80
Victoria	5	21 July, 1945	21 July	88.70	6.25
Quebec	5	1 June, 1948	1 June	98.35	5.15

*—New York Payment.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)

February 16, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.22	.38
Acadia Sugar pfd.	1.00	2.50
Acme Farmers Dairy pfd.	73.00	....
Allens Coll. pfd.	29.00	....
Allens Lond. pfd.	29.00	....
Andian N. Corp.	20.50	25.00
B. C. Pulp & Paper c.	....	3.00
B. C. Pulp & Paper 7% pfd.	15.00	....
Can. Biscuit pfd.	....	9.00
Can. & Dom. Sugar c.	16.50	18.00
Can. Machinery c.	4.00	6.50
Can. Machinery 7% pfd.	21.00	30.00
Can. Packers 7% pfd.	78.00	83.00
Can. Packers c.	12.00	14.00
Can. Starch pfd.	64.00	....
Can. Tea pfd.	55.00	....
Can. Wire & Cable pfd. W.W	84.00	89.00
Can. Celanese pfd.	50.00	....
Can. Indus. c. 'A'	78.00	....
Do., "B"	78.00	83.00
Do., 7% pfd.	100.00	110.00
Can. West'house	52.00	57.00
Chase, A. W. Units	31.00	36.00
Cons. Oka Sand & Gravel pfd.	50.00	....
Copeland Flour 6% pfd.	....	11.00
Dairy Corp. pfd.	....	37.00
Dodge Mfg. "A" pfd.	7.00	....
Dodge Mfg. "B" com.	.50	....
Dom. Foundries & Steel pfd.	56.00	....
Dom. Foundries & Steel com.	7.00	10.00
Dom. Manuf. pfd.	70.00	....
Dunlop Tire 7% pfd.	55.00	75.00
East. Car 6% pf.	45.00	....
Fed. Grain pfd.	22.00	30.00
Goderich Elevator & Transit	14.50	16.50
Greening Wire 7% pfd.	82.00	89.00
Guard. Realty pfd.	34.50	40.00
Guelph Carpet pf.	70.00	....
Hard. Carpet pfd.	....	50.00
Inter City Baking com.	32.50	42.00
Internat. Prop. A	21.50	24.75
Loew's London c.	.50	2.00
Loew's Lond. pfd.	3.75	5.25
M. & P. Stores pf.	....	92.00
Massey-Harris pf.	9.50	13.50
Morrow Screw Nut 7% pfd.	94.00	98.00
Mount Royal Htl. Scrip	1.00	....
Mount Royal Htl. com.	1.75	3.50
Mount Royal Htl. 6% pfd.	11.00	17.00
Nat. Grocers c.	.75	1.50
Nat. Grocers 2nd 7% pfd.	34.00	41.00
Para. Oshawa c.	8.25	....
Prov. Paper pfd.	....	65.00
Rolland Paper pfd. W.W.	35.00	....
Standard Clay Products c.	7.50	....
Standard Fuel pfd. bonus	54.00	61.00
Supertest Petrol. "B" pfd.	16.00	....
Toronto Brick pf.	38.00	60.00
Tor. Carpet c.	115.00	....
Tor. Carp. 8% pf.	97.00	....
Tor. Elev. 7% pf.	67.00	75.00
Tor. Housing c.	20.00	30.00
United Amuse. A	14.00	....
West. Grain pfd.	14.00	22.00
Willards Choc. pfd.	25.00	35.00
Insurance Stocks:		
Br. Amer. Assce.	27.00	....
Can. Life Assce.	425.00	505.00
Can. Nat'l Fire	18.00	25.00

	Bid	
Can. Fire Ins.	75.00	
Capital Life 20% pd.	10.00	
Confederation Life 20% pd.	150.00	
Crown Life	90.00	
Dominion Fire	90.00	
Dom. of Can. Gen. Ins.	190.00	
Dominion Life 50% pd.	260.00	
Excelsior Life 30% pd.	95.00	
Fidelity Insur. of Canada	....	
Great West Life	320.00	
Guarantee Co. of N. A.	240.00	
Halifax Fire	7.00	
Imperial Life	290.00	
Manufac. Life	275.00	
Monarch Life 10% pd.	20.00	
National Life 25% pd.	115.00	
Saskatchewan Life 10% pd.	10.00	
Sovereign Life 25% pd.	23.50	
Sun Life Assur.	415.00	
West. Assur. Co.	24.00	
Western Life 20% pd.	8.00	
Trust & Loan Stocks:		
Brit. Mtge. & T.	165.00	....
Can. Gen. Invest. Ltd.	5.25	
Chartered Trust	....	
Debenture & Sec. com.	....	
Debenture & Sec. pfd.	....	
Eastern Can. Sav. & Loan	115.00	
Eastern Trust	145.00	
Guelph & Ont. Inv. par $50	52.00	
Investment Found. Units	20.00	
Lambton Loan & Savings	68.00	
London & West. Trust	98.00	
Midland Loan & Savings	14.50	
Mtge. Disct. pfd.	3.90	
Mutual Fin. pfd.	2.25	
Mutual Fin. com.	2.25	
Premier Trust	70.00	....
Security Loan & Savings	100.00	
Sherbrooke Tr.	115.00	....
Sterling Trust	....	
Traders Fin. pfd.	32.00	
Traders Fin. com.	....	
Trusts & Guar.	60.00	
Victoria Trust & Savings	170.00	....
Waterloo Trust & Savings	121.00	137.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	94.00	
Calgary Pwr. pfd.	62.00	
Can. Light & Power c.	18.00	
Can. West. Nat. Gas LH&P c.	17.00	
Can. West. Nat. Gas LH&P pfd.	67.50	72.00
Great Lakes Pwr. pfd.	....	
N.B. Pwr. 1st pf.	48.00	
N.B. Telephone c.	9.50	14.00
N.S. L&P pfd.	66.00	
Ottawa LH&P 6½% pfd.	93.00	
Recent London Quotations:		
Brewer Distillers		
Can. & For. Sec.		
Can. West. Lumber		
Hudson's Bay		
Do., 5% pfd.		
Internat. Holdings		
Nfld. Pr. & Pap. deb. stk.		
Trust & Loan of Can. (15s. pd.)		

Listed Bond Quotations

Week Ending February 15

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range 1932 High	Range 1932 Low
Abitibi, 1st mtge.	5	1953	...	†39½	...	...	46	34½
Asbestos	5	1942	10.55	†65	...	...	65½	...
Asbestos, 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6		...	...	...	...	*9	...
Can. Cons. Rub.	6		...	...	...	...	*69½	...
Can. Cottons	5		...	...	...	...	*91	
Can. Forgings	6		6.48	...	...	...	*100	...
Can. Locomotive	6		...	...	...	...	‡96	...
Can. Pr. (La. Ser.)	5½	1958	...	...	...	...	*28½	
Do. (Way. Ser.)	5½	1958	...	10	...	...	*28½	
Can. S. S. deb.	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	5.15	...	...	...	98	98
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dom. Coal	5	1940	5.29	...	...	...	*98½	98
McNish	6	1948	...	...	...	...	*8.25	2.25
Mex. L. & Pr.	5	1940	...	2.00	...	...	*73½	73½
Mont. L. H. & P.	4½	1932	...	...	...	...	‡100	
Mont. Tr. 1st mtge.	5	1941	5.83	...	...	...	*101½	
Mont. Tr. "A"	5	1955	6.82	†79½	...	...	79½	77
Mont. Tr. G. & R. "B"	5	1955	6.75	†79½	...	...	79½	77½
Do., "C"	4½	1955	5.64	...	...	...	*85	84
Do., "D"	5	1955	6.85	†79½	...	...	78½	78
N. S. Steel	5	1959	...	...	...	...	*62½	
Ogilvie Flour "A"	6	1932	6.00	†100	...	...	100	...
Do., "B"	6	1932	...	†100	...	...	‡100½	100
Do., "C"	6	1932	6.00	†100	...	...	100	
Ont. Steel	6	1943	5.94	†100½	...	...	100½	...
Porto R. Pr.	5	1936	7.95	...	...	...	*93	
Steel of Can.	6	1940	4.98	†102½	...	...	*107½	106½
Wayagamack	6	1951	...	41	...	...	*75	45
Winn. Elec.	5	1935	5.12	91	...	...	*99½	
Toronto								
Canada Bread	6	1941	6.00	†83	...	...	*101½	100
Steel of Can.	6	1940	5.62	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.80	105.85	....	....	105.50	
Victory Loan	5½	1933	5.10	100.75	100.40	....	100.50	
Do.	5½	1934	5.60	100.00	99.80	99.65	99.85	
Do.	5½	1937	4.56	104.85	104.50	104.40	104.75	104.00
Do., refund	4½	1940	5.69	91.90	....	....	92.50	91.50
Do., refund	5	1943	5.47	96.00	95.75	95.60	97.00	
Do., refund	4½	1944	5.48	91.00	91.25	90.00	91.25	89.50
Do., refund	4½	1946	5.45	91.00	....	....	....	....
Do., renewal	5½	1932	4.65	100.60	....	....	99.87	....
Conversion Loan	4½	1956	5.34	....	....	....	88.50	88.25
Do.	4½	1957	5.40	....	....	....	....	....
Do.	4½	1958	5.30	90.50	91.00	90.20	91.00	88.50
Do.	4½	1959	5.34	90.50	90.00	....	90.00	89.00
Nat. Service Loan	5	1936	5.57	97.50	98.00	97.25	98.00	96.25
Do.	5	1941	5.50	96.50	96.10	95.90	97.13	94.90

†Latest bid.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Stocks With Minimum Prices

Atlantic Sugar, com.	22½
Bell Telephone	119
B. C. Power "A"	24
Calgary Power	137
Can. Nor. Power, c.	19½
Can. Wire & Cable "A"	55
Do., class "B"	18
Can. Bronze	19
Do., pref.	102
Can. Canners, c.	8
Do., 1st pref.	80
Do., convert. pfd.	9
Can. Celanese pref. 7%	65
Can. Converters	30
Can. Cotton	50
Can. Hyd.-Elec. pfd.	66
Dominion Bridge	27
Dominion Coal, pfd.	25
Dom. Glass, com.	82
Dom. Textile, com.	63½
East. Dairies	20
East. Steel, com.	15
Do., pref.	97
Gurd & Co.	21
Hamilton Bridge pref.	64
Hillcrest Coll., pfd.	88
Inter. Power, pref. 1st	57
Jamaica Pub. Ser.	40
Do., pref.	100
Mitchell, J. S.	35
Montreal Cottons	92
Do., pref.	95
Mont. Light, Heat	36
Nat. Breweries	24
Do., pref.	31
National Steel Car	10
Ogilvie Milling	185
Ontario Steel, pfd.	90
Ottawa L. H. & Pr.	104

Penmans, com.	33
Power Corp.	36½
Price Bros.	25
Do., pref.	70
Quebec Power	29
Shawinigan Power	33
Simons & Sons	17
Do., pref.	92
Southern Can. Pr.	25
Steel Co. of Can.	20
Viau Biscuit, pfd.	75
Weston's, com.	38
Do, pref.	79
Windsor Hotel	10
Do., pref.	72
Winnipeg Electric, pref.	50
Woods Mfg., pref.	40
Trust and Loan	
Canada Perman.	185
Central Can. Loan	295
Economic Invest.	33
Huron & Erie	139
Do., 20% paid	28
Landed Banking	145
National Trust	245
Ontario Loan	114½
Real Estate Loan	105
Tor. Gen. Trusts	210
Tor. Mortgage	105
Union Trust	95
Banks	
Banque Canadienne	155½
Bank of Commerce	186
Dominion Bank	189
Imperial Bank	188
Bank of Montreal	215
Bank of N. S.	269
Royal Bank	211
Bank of Toronto	193

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

WORLD AFFAIRS NOW DOMINATE WHEAT MARKET

Much of Weakness of Recent Weeks Has Now Disappeared

From Our Own Correspondent

WINNIPEG.—Recent strength in the wheat market had been primarily related to financial development in the United States.

Improving stock market prices, following upon governmental financial action authorized and in prospect in that country created an optimistic note in commodity markets. This in turn seemed to have the effect of shaking European buyers out of their previous indifference toward forward commitments. The feeling that has existed in Europe for some time that inflationary measures in the United States might lead to dollar depreciation began to be expressed in action toward securing wheat before there should be danger of considerable price advance, and also to taking off hedging sales made in Chicago against wheat purchased elsewhere. The increased buying in Chicago that resulted might logically have gone on without affecting Winnipeg, but our prices were sympathetically influenced upward.

European Scarcity Looms

At the same time certain bullish factors, hitherto held in restraint began to make themselves felt. Included in these was the obvious scarcity of the wheat in France and Italy which has led to the progressive relaxation of import restrictions against foreign wheat, suggesting that those countries before the end of the current crop year will have exhausted domestic supplies and find importations necessary.

France, it is true, had recently announced a ten per cent increase in the area sown to winter wheat, an increase which will just about bring that country back to the pre-war wheat acreage. This was followed by an announcement of a more than compensating fall in acreage in the Danubian countries. Very low prices have prevailed in those countries, in contrast with the high prices sustained in France by import duties, and various governments have attempted to assist farmers by programmes for artificial price enhancement and the subsidizing of exports. Most of these plans have got into difficulties, and the prospect of abandonment is discouraging to wheat growers. In addition we are rapidly approaching the period in which serious alarm about prospects for United States winter wheat may develop. Previous scares have been premature, and have been recovered from rapidly. But reports of winter killing from now on, if they are made, will be taken much more seriously.

Reports of European weather are also considered unfavorable to winter wheat production, both in Central Europe and in Russia.

U. S. Stocks Dropping

In the United States there was a good deal of alarm in recent weeks when it was realized that their carry over would not be reduced during the current year, and there was alarm at the prospect of a considerable increase. More recent reports are to the effect that domestic disappearance is proceeding at a very high rate, and that heavy feeding of wheat to livestock is cutting into supplies.

The basic wheat situation cannot yet be said to be strong, but at least it is not nearly so weak as it was a few months ago. But it is not the wheat situation itself which is now the dominating factor in market prices, but rather general economic financial conditions.

Vancouver is doing the dominating share of the continent's wheat export busienss. Reduction in liner sailings out of New York combined with willingness of tramp vessels to take low cargo rates from Vancouver has changed the normal ocean freight situation, and has given the Western port an important advantage. Except for shipments by United States farm board to fill previous sales to Brazil and China, and for some export sales by the board at less than domestic prices, Canada is doing practically all the current export shipping from this continent.

STEAMERS STOCK SINKS TO NEW LOW AS PEG REMOVED

Expect 1931 Report Will Show Depreciated Earnings

From Our Own Correspondent

MONTREAL.—Features of the trading on the Montreal Stock Exchange this week, following the lifting of the minimums on a number of stocks, was a drop in the value of Canada Steamships preferred stock to 5, a decline of 4 points from the minimum.

This decline is taken as a reflection of the depreciated earning power of the company, arising from a lack of grain movement from the head of the lakes to the seaboard. During 1930 the company failed to earn its bond interest after making provision for depreciation.

Poor Report Expected

Expectations are that the report for 1931, to be available at the beginning of March, will not show any improvement in earnings. Though the management was able to effect substantial reduction in operating expenses over the past twelve months and kept maintenance charges at a minimum, there was a continued lack of cargo and passenger movement.

No figures are available as yet as to the volume of freight and passenger traffic handled last year, but returns on movement of boats through the locks, etc., indicate that a further decline was registered in 1931. During the preceding year the net profit deficit recorded was the largest for any one year since the incorporation of the company in 1913.

Still Pay Bond Interest

Despite the restriction in earnings over the past two years and the failure to earn bond interest after depreciation in 1930, the company has continued to meet its bond interest charges. Consequently it is expected that bank loans will figure prominently in the 1931 report. The statement for 1930 showed loans and notes payable totalling $3,020,002. About a third of this sum was said to represent advances on uncompleted contracts, which have since been finished.

Prospects for a resumption of dividends on the preferred stock, which are now about $9 in arrears, are still remote.

General Steel Lops Million Off Its Costs

Despite the adverse statement presented by General Steel Wares for 1931, officials of the company feel that considerable progress has been made both in the consolidation of operations and in the reduction of expenses of production, office overhead and sales. These savings did not become operative until the latter part of 1931 and during the period they were in effect it is understood that earnings approached bond interest requirements. A saving of $1,000,000 is expected for 1932 on the basis of lower costs and it is apparent from the 1931 income statement that if such a saving is made the company could earn bond interest, before depreciation, in 1932 with but a small increase in gross sales.

Combined with reduction of operating costs to the lowest point in years a substantial gain has been made in dealer goodwill, it is understood. While this item is an intangible factor it is extremely important and should affect the company beneficially with any general improvement in business. The outlook for 1932 business is as yet uncertain although January business was practically at the same level as in the corresponding period of 1931. Interest is due on the first mortgage bonds on May 1 and there is no present indication that this will not be met. The sinking fund of the company has been kept up to date.

New Industries and Plant Extensions in Canada

Compiled Weekly
By The Financial Post

Swift Canadian Co. have leased a building in the west end of Toronto and will commence to manufacture for the first time in Canada, its plant food "Vigoro," according to an announcement by the Toronto Industrial Commission. Formerly this product was imported from the United States.

Pressure Pipe Co. of Canada—have secured a 7-acre site in North Vancouver for the establishment of a pipe manufacturing plant thereon. An initial investment of $75,000 is proposed, and construction will start immediately. The company plans to commence manufacturing about the middle of April.

C. L. Jobb is president of this company which recently took over the business of the Bonna Pipe Co. of Canada together with complete manufacturing and selling rights in Canada for Bonna pipe.

United Peat Industries, Ltd., of St. Hyacinthe, P.Q., announce expansion of their plant at St. Hyacinthe. At present production averages about 6,000 tons a year which will be increased through the use of new capital to some 20,000 tons for next year and to some 300,000 tons per year by 1935. The company's objective is to supply Ontario and Quebec with 10 per cent of their domestic fuel requirements.

Winnipeg Industrial Development Board announces a new industry to enable Jews in Canada to obtain Matzo (unleavened bread) made in Canada. The company has secured premises on Ross Ave. and will produce for an immediate market from 300,000 to 400,000 pounds. Matzo was formerly imported to an amount of 1,500,000 pounds annually.

Ultra Chemicals Ltd.—has opened its new plant at Louiseville, P.Q., for the manufacture of chemicals for the textile trades—silk, cotton and rayon. The company is associated with Ultra Chemicals of Hawthorne, N.J., the president being W. S. Spuhler and treasurer Dr. Ruegg. Employment is being given to 50 people at the start.

Zonite Products Corp. — formally opened its branch plant at Ste. Therese, P.Q., last week. For further details see The Financial Post (this column) of Jan. 30.

Silver-Marshall of Canada—has enlarged its plant operations at Toronto and leased 10,000 feet of floor space at 672 Dupont St., according to the Toronto Industrial Commission. The company manufactures Silver-Marshall radios in affiliation with a company of the same name from Chicago, and also a 32-volt radio of Delco Appliance Corp. of Rochester. The company first located in Toronto 6 months ago and is now planning a new combination long wave and short-wave set.

George W. Hyslop is president, Richard T. Fulford, vice-president, and John H. Cashman, general superintendent of the company, which employs from 30 to 60 people, depending upon seasonal production requirements.

Windsor, Ont.—A new grain elevator is decided upon for the Windsor waterfront. Construction will begin early in March and it is planned to complete the project in time for the 1932 grain movement. The elevator will be equipped with drying and cleaning apparatus with warehouse adjoining.

R. G. Dun Cigar Co. of London, Ont., have moved into their new plant at William and York Sts. in that city. For further details see The Financial Post (this column) Feb. 6, 1932.

STERLING TRUSTS MAINTAINS PROFITS

Assets Shown at Slightly Lower Valuation in 1931

With earnings before taxes and depreciation within $500 of those for the preceding year, Sterling Trusts Corp., in its twentieth annual statement, for the year ending December 31, 1931, showed net profits after these two items of $50,812, equal to 6.4 per cent on paid-up capital, compared with $53,930, or 6.9 per cent for 1930.

Dividends were continued at the former rate of 6 per cent and after a $10,000 write-off of assets, the balance in profit and loss account was reduced from $10,240 to $3,709, which amount is carried forward.

Total assets are shown at $11,606,194 compared with $12,528,880 at the end of 1930. Of these, assets held for administration totalled $9,864,180 compared with $10,916,003 a year ago. The total mortgage investments of the company are distributed $257,283 in western Canada and $906,051 in Toronto and vicinity. A 19 per cent increase is shown in guaranteeed trust funds which now total $798,264. Deposits were $40,686 lower at $183,726.

Reserve fund, which remains at $140,000, is split into two parts, $40,000 being earmarked for possible future depreciation and losses on investments.

Comparative statement of earnings is as follows:

Profit and Loss Account
Years Ending Dec. 31

	1931 $	1930 $
Earnings*	61,503	62,086
Less: Taxes	9,017	8,156
Depreciation	1,674	......
Net profits	50,812	53,930
Less: Dividends	47,848	46,884
Assets written down	10,000	......
Surplus for year	†6,531	7,046
Prev. surplus	10,240	3,194
Bal. carr. forward	3,709	10,240
Earning Rate and Dividend Record:		
Earned‡	6.4%	6.9%
Paid	6%	6%

*After management expenses, etc.
†Debit. ‡On average capital.

AUSTRALIA OVER-BORROWS; JAP ISSUES HIT BY WAR

(Continued from page 11)

a heavy debt is an indication of the wealth of the country. Debt services account for approximately one-third of total expenditures.

Australia's future prosperity, like Canada's, is linked with the course of commodity prices, particularly wheat, wool and dairy products. If the price of these products remains at present low levels it is quite possible that some major readjustment in the standard of living and in outstanding debts may be necessary.

The result of the recent election in Australia, when the radical Labor party was defeated, has been a most encouraging sign and has indicated that the corner may have been turned. A slightly higher price for wheat and wool and a stable government would greatly assist Australia in recovering her former position.

War Beclouds Jap Position

An analysis of the position of Japanese obligations is rendered unusually difficult at this time because of the threat of a serious Oriental war, and yet the very circumstances which make a study of the situation so difficult also increase the need for some attempt to clarify the position of the harassed foreign bondholders. Without any attempt to explain the causes or possible results of the present Sino-Japanese conflict, the position of Japanese external bonds will be surveyed in the light of six major tests of a foreign government bond.*

The character of all Oriental races is difficult to analyze. Their entire point of view is so different from ours that we probably cannot hope to understand it. We know, however, that in respect to obligations and contracts the Japanese people have not given any cause for complaint. The debt record of the Imperial Japanese Government is a perfect one. Principal, interest, and sinking funds have been paid promptly at all times. No one can ask more of a country than this.

Regarding the economic status of this Far Eastern Empire it may be said that a great deal has been made out of comparatively little. The country is relatively poor in the possession of natural resources. The people are dependent upon the importation of many of the materials used in their manufacturing industries as well as on a portion of their food supply. Coal and cotton are two of the major imports which are used in two of the leading industries—steel and textiles. Fishing is an important industry. In fact, Japan ranks first in the world's production of fish. Agriculture (mainly the cultivation of rice) employs nearly 50 per cent of the total population. Mining is of some importance and water power resources are valuable.

The trade and currency statistics indicate that in spite of natural handicaps, the Japanese have striven to become one of the great industrial nations of the world and that they have succeeded in reaching their objective. Japan has a large foreign trade, and shipping services constitute an important item in the country's balance of international payments. Imports usually exceed exports but the adverse balance is not large. In 1931 it amounted to about $68,000,000. Foreign investments in Japan are counterbalanced by Japanese investments abroad. Until recently, therefore, Japan has found no difficulty in balancing her international accounts.

The political turmoil of recent months has had its effect on the financial position of the country. The trade statistics are becoming more unfavorable because of the Chinese boycott, and the decline in the exchange value of the yen (par $0.4984) has forced the shipment of large quantities of gold to the United States. In 1931 over $185,000,000 of gold was exported. The gold reserve has fallen from $413,000,000 in 1930 to $260,000,000 at the end of 1931. The reserve ratio has not been altered greatly, however, due to the contraction in circulation. It will be seen that continued exports of gold at the same rate as last year would soon deplete the treasury of its supply. On December 13, last, the government placed an embargo on the shipment of gold. The Japanese government has always been able to balance its budget—at least in recent years—and in most respects the financial position of the country is sound. The debt amounts to about $48 per capita, which is not large, and only a small percentage of the total is external. The approximate figures (as of Dec. 31, 1931) are as follows:

External debt	$790,000,000
Internal debt	2,230,000,000
Floating debt	10,000,000
Total	$3,030,000,000

Cause for Apprehension

The political scene in Japan is far from ideal. The assassination of finance ministers and other deeds of violence are not the characteristics of a conservative people. The Japanese are, however, recognized as being very clever and they have not failed, in the past, to realize that when dealing with foreign financial interests every precaution must be taken to maintain their credit.

One unfavorable development must be noted in connection with Japan's industrial life. Silk has been a profitable export product for many years and has accounted for over one-third of all exports. The increased use of artificial silk has gradually reduced the demand for the natural product, and it is more than likely that such competition will become greater rather than less.

The holders of Japanese bonds should regard them with some apprehension until at least the present political difficulties have been settled. It is at least possible that the price of the bonds may decline further while a higher price is probably not justified until the trade figures indicate a healthier trend.

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*These tests were outlined in the first article in this series.

Gleichen Flour Mill Active

Gleichen Flour Mill Company has now commenced business with early reports indicating a developing output. The building is two stories and a cupola on a full concrete basement, with a driveway on one end and an office building and heating plant about 35 feet away.

Week's Canadian Quotations—Continued

Winnipeg Grain Prices

Week to February 16

Crop Year from Aug. 14 High	Low		Open Feb. 10	High for week	Low for week	Close Feb. 16
		Wheat				
.76½	.55½	May	.63	.66½	.63	.66½
.77½	.61½	July	.64½	.68½	.64½	.68½
.70	.63½	Oct.	.66½	.70	.65½	.69½
		Oats				
.38	.28	May	.31½	.32½	.31½	.32½
.37½	.31½	July	.31½	.32½	.31½	.32
		Barley				
.47½	.32½	May	.39½	.41½	.39½	.41½
.45½	.38½	July	...	.40½	.39½	.40½
.43½	.38½	Oct.	...	.40	.39½	.40
		Flax				
1.21	.97½	May	1.01½	1.06½	1.01½	1.05½
1.16½	1.00½	July	1.01½	1.06½	1.01½	1.05½
		Rye				
.59½	.32½	May	.44½	.48	.44½	.47½
.59	.43½	July	.46	.49½	.45½	.49½

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week to February 16

High	Low *to date		Close Feb. 9	High for week	Low for week	Close Feb. 16
		Wheat				
.72	.53½	May	.57½	.60½	.56½	.60½
.61½	.53½	July	.58	.61½	.59½	.61½

*Since trading opened March 3, 1931.

Foreign Exchange

	New York Funds High (Premium)	New York Funds Low (Premium)	Last Year High (Premium)	Last Year Low (Premium)
	%	%	%	%
February 10	16½	16½	1-64	Par
February 11	16½	15½	1-64	Par
February 12	15 9-16	15½	Par	Par
February 13	15½	14½	1-32	Par
February 15	15	14½	1-32	Par
February 16	14½	14½	1-32	Par

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
February 10	3.42 1-4	3.93 5-8	5.19 1-2
February 11	3.43 1-4	3.93 7-8	5.18 1-2
Febreary 12	....	....	....
February 13	3.44 3-4	3.94 1-2	5.19 3-4
February 15	3.45	3.94 3-8	5.20 1-2
February 16	3.44 3-4	3.94 7-16	5.19 1-2

FOREIGN EXCHANGE

Par		Feb. 3	Feb. 9	Feb. 16
5.26	Italian	5.80½	6.04½	5.96½
23.80	German	27.13½	27.61½	27.30½
13.90	Belgian	15.96	16.18	16.01
49.80	Japanese	41.84	42.43	41.02

Mining Stock Quotations

Week Ending February 15.

Par Val.	Range 1932 High	Range 1932 Low	Company	Sales	Close Feb. 8 (or last)	High for week	Low for week	Close Feb. 15
1	.05½	.04	Abana	3,800	.05	.05½	.04½	.05
1	.02	.01	Aconda	1,500	.01	.01	.01	.01
1	*.05½	.03½	Adrien	.....	.04½	.....	.....	.....
No	.15	.15	Aldermac	.....	.15	.....	.....	.....
1	.08½	.05	Alexandria	37,500	.06	.08½	.05	.05½
1	.01½	.00½	Algonquin	58,500	.01	.01½	.00¾	.01
1	.01	.00½	Amity C.	3,000	.00½	.00½	.00½	.00½
No	.22	.16	Amulet	2,000	.18	.17	.16	.17
1	.00½	.00½	Apex	.....	.00½	.....	.....	.....
1	.01½	.01½	Area	.....	.01½	.....	.....	.....
1	*.01	.00½	Argo. Cons.	.....	.01	.....	.....	.....
No	.02	.01½	Arno	27,000	.01½	.01½	.01½	.01½
1	.02	.02	Astoria	.....	.02	.....	.....	.....
1	*.02	.00½	Atlas	.....	.00½	.....	.....	.....
1	.06	.03½	Bagamac	30,000	.03½	.06	.04½	.04½
1	.00½	.00½	Baldwin	3,000	.00½	.00½	.00½	.00½
1	.11	.06	Barry Hollinger	12,600	.07½	.07½	.06	.07
No	1.00	.85	Base Metals	100	.90	.85	.85	.85
No	*.04	.00½	Bathurst	.....	.03	.....	.....	.....
5	*1.75	.60	B'Wana McKubwa	.....	1.00	.....	.....	.....
1	*.28	.26	Ben Nevis	.....	.27	.....	.....	.....
No	.12	.05	Bidgood	34,000	.06½	.07	.05½	.05½
1	.16½	.12	Big Missouri	3,300	.13	.13½	.12	.13
1	*.05½	.04½	Blue Quartz	.....	.04½	.....	.....	.....
1	.05½	.02½	Bobjo	34,000	.05½	.04½	.03¾	.04½
No	*.01	.00½	Boischatel	.....	.01	.....	.....	.....
1	.08	.06½	Brett Trethewey	8,400	.06½	.08	.07	.07
No	.03	.02	Brownlee	26,700	.02½	.02	.02	.02½
1	.00½	.00½	Buckingham	1,000	.00½	.00½	.00½	.00½
No	.30½	.22½	Buffalo Can.	38,800	.29½	.29½	.26	.29
No	.02½	.01½	Bunker Hill	1,000	.01½	.01½	.01½	.01½
No	.01	.00½	Cal. Flin Flon	1,000	.01	.01	.00½	.01
1	*.04	.01	Cambro Kirk	.....	.04	.....	.....	.....
No	.03	.03	Canam Metals	.....	.03	.....	.....	.....
1	.03½	.01½	Can. Kirkland	13,000	.03½	.03½	.02½	.03
1	.09	.04	Canusa	10,500	.07½	.06½	.05½	.05½
1	.02½	.00½	Capital Rouyn	27,500	.01	.00½	.00½	.00½
1	.03	.02½	Cartier Malartic	6,000	.....	.03	.02½	.03
1	.15	.13	Castle Trethewey	1,000	.13	.14	.13½	.14
1	.08	.06	Cen. Manitoba	1,100	.06½	.08	.07	.08
1	.07½	.05	Cen. Patricia	1,200	.05½	.06	.05	.06
1	*.03	.01½	Champion R.	.....	.02½	.....	.....	.....
No	.07½	.06	Chibougamau Pros.	7,000	.06½	.06½	.06	.06
No	.01½	.01	Clericy	8,000	.01½	.01½	.01	.01
5	3.00	2.10	Coast Copper	250	2.75	2.60	2.10	2.10
1	.02	.01½	Cobalt Contact	8,000	.01½	.02	.01½	.02
1	*.02	.00½	Col. Kirkland	.....	.00½	.....	.....	.....
1	.08	.05	Columario	1,000	.06	.05	.05	.05
5	.75	.75	Coniagas	.....	.75	.....	.....	.....
No	.40	.32	Coniaurum	.....	.35	.....	.....	.....
25	72.00	64.00	Cons. Smelters	1,995	70.25	72.00	64.00	70.50
1	*.40	.15	Cons. Venus	.....	.40	.....	.....	.....
1	*.01	.00½	Corona	.....	.00½	.....	.....	.....
1	.01½	.01½	Crown Reserve	.....	.01½	.....	.....	.....
No	.09½	.07	Dom. Explorers	7,000	.08½	.08½	.07½	.08
1	*.03	.00½	Dom. Kirkland	.....	.00½	.....	.....	.....
No	10.50	9.30	Dome Mines	3,530	9.95	10.10	9.60	9.95
1	.01	.01	Don Rouyn	.....	.01	.....	.....	.....
No	*.33	.30	Don Woolsey	.....	.30	.....	.....	.....
1	*.01	.00½	Dunkin	.....	.00½	.....	.....	.....
1	*.02½	.00½	Duprat	.....	.01½	.....	.....	.....
1	1.33	1.05	Eldorado	10,630	1.21	1.23	1.15	1.23
No	1.05	.80	Falconbridge	814	1.00	1.00	.80	.90
1	.04	.02	Federal	6,050	.03½	.03½	.02	.02½
No	.00½	.00½	Flintoba	.....	.00½	.....	.....	.....
No	.07	.06	Gem Lake	500	.07	.06	.06	.06
No	*.04½	.01½	Gilbec	.....	.02	.....	.....	.....
1	.02	.02	Goldale	500	.02	.02	.02	.02
10	.11	.10	Goldfield	.....	.11	.....	.....	.....
1	.00½	.00½	Gold Hill	2,000	.00½	.00½	.00½	.00½
1	.04	.03½	Goodfish	6,500	.03½	.04	.03½	.03½
1	.01	.00½	Graham	.....	.01	.....	.....	.....
1	1.25	.90	Granada	4,880	1.00	1.06	.90	1.06
1	.22	.13	Grozelle	1,000	.20	.13	.13	.13
No	*.30	.29	Halliwell	.....	.29	.....	.....	.....
1	.02½	.02	Harker	5,500	.02	.02½	.02	.02
1	.01½	.01	Hilltop	39,700	.01½	.01½	.01	.01½
5	5.70	5.00	Hollinger	4,030	5.30	5.70	5.00	5.05
1	.36	.30	Howey Gold	16,375	.32	.31½	.30	.30
No	2.78	2.10	Hudson Bay	2,880	2.52	2.55	2.10	2.40
No	.20	.20	Huronian	.....	.20	.....	.....	.....
No	11.00	8.50	Int. Nickel	17,722	9.50	10.00	8.50	9.00
1	.01½	.01½	Jackson Manion	.....	.01½	.....	.....	.....
1	.23	.23	Keeley	150	.23	.23	.23	.23
1	.02½	.01	Keora M.	4,500	.02	.02	.01½	.01½
1	.70	.45	Kirk. Hud. Bay	500	.50	.45	.45	.45
1	.02½	.01½	Kirk. Hunton	11,600	.02	.01½	.01½	.01½
1	.55	.43	Kirkland Lake	12,505	.49	.50	.43	.45
1	.03½	.01½	Kirk. Premier	3,500	.03	.02	.01½	.01½
1	.13	.09	Kirk. Townsite	3,800	.10	.09½	.09	.09
20c	.01½	.00½	Koot. Florence	7,500	.00¾	.00½	.00½	.00½
1	.01½	.00½	La Rose	.....	.01½	.....	.....	.....
1	*.69	.38	Lakeland	.....	.42	.....	.....	.....
1	29.10	28.00	Lake Shore	2,015	28.75	28.90	28.05	28.90
1	.00½	.00½	Laval	.....	.00½	.....	.....	.....
1	.01½	.01½	Lebel Oro	.....	.01½	.....	.....	.....
No	*.35	.35	Locarno	.....	.35	.....	.....	.....
1	.40	.29½	Macassa	22,500	.35	.32	.29½	.32
1	.05	.03	Malartic	13,000	.03½	.03½	.03½	.03½
No	.05	.04½	Mandy	7,000	.05	.04½	.04½	.04½
No	.01½	.01	Manitoba Basin	11,000	.01½	.01	.01	.01
1	.35	.30	McKinley	.....	.30	.....	.....	.....
5	19.50	17.30	McIntyre	575	18.00	17.65	17.30	17.30
No	.08¾	.03¾	McLeod River	285,500	.08	.08¾	.06½	.08¾
1	*.04	.04	McVittie	.....	.04	.....	.....	.....
1	*.29	.03	MacMillan	.....	.10	.....	.....	.....
No	1.43	.85	Mining Corp.	10,575	1.25	1.15	.85	1.09
1	.08½	.04	Moffatt Hall	533,800	.06¾	.05	.04	.04¾
1	*.04	.02½	Moneta	.....	.03	.....	.....	.....
1	*.00½	.00½	Mtl. Rouyn	.....	.00½	.....	.....	.....
1	.40	.30	Moss	22,400	.36	.39	.33½	.38½
1	.02½	.01½	Murphy	3,000	.01½	.02	.01½	.01½
No	.03	.02½	Newbec	4,500	.02½	.02½	.02½	.02½
1	*.40	.25	Nevada	.....	.25	.....	.....	.....
1	*.09	.02	Night Hawk	.....	.02	.....	.....	.....
5	1.15	.90	Nipissing	800	1.00	.98	.90	.90
No	17.50	15.00	Noranda	13,230	16.65	16.90	15.40	16.20
No	.24	.19	Nor. Canada	1,200	.21	.20	.20	.20
No	.01	.00½	Old Colony	.....	.00½	.....	.....	.....
1	*.01	.00½	Ophir	.....	.00½	.....	.....	.....
1	*.10½	.02	Oriole	.....	.02	.....	.....	.....
1	.08	.06	Osisko	10,000	.06	.06	.06	.06
1	.08	.08	Parkhill	.....	.08	.....	.....	.....
1	.13½	.11	Patricia Dent	4,000	.13½	.13½	.13½	.13½
1	.02	.01½	Pawnee Kirk	.....	.02	.....	.....	.....
No	1.15	.85	Pend Orielle	600	1.11	1.01	.95	1.00
1	.01	.00½	Pete. Cobalt	4,000	.01	.01	.00¾	.01
	*.25	.18½	Phoenix Molybd.	.....	.25	.....	.....	.....
1	*.01½	.00½	Picard	.....	.00½	.....	.....	.....
1	3.86	3.10	Pioneer Gold B.C.	7,700	3.30	3.75	3.50	3.50
1	.05	.04	Pioneer	.....	.04	.....	.....	.....
1	*.02½	.00½	Porc. Crown	.....	.00½	.....	.....	.....
1	.01½	.01	Potter Doal	.....	.01	.....	.....	.....
1	*.45	.30	Powell Rouyn	.....	.30	.....	.....	.....
1	.63	.57	Premier Gold	1,700	.60	.60	.58½	.60
1	.00¾	.00¾	Preston E. Dome	.....	.00¾	.....	.....	.....
No	.15	.15	Prospectors Air's.	500	.15	.15	.15	.15
No	.06	.04	Quemont	1,500	.06	.05	.04	.05
1	.02½	.01	Ribago	38,800	.01½	.01½	.01½	.01½
1	*.34	.24	Rich. Rock	.....	.33	.....	.....	.....
1	.02½	.01½	Ritchie	2,500	.01½	.01½	.01½	.01½
1	.01½	.01	Robb Montbray	1,000	.01	.01½	.01½	.01½
1	.36	.25	San Antonio	1,000	.35	.30	.30	.30
1	*.21	.10	Seven Troughs	.....	.10	.....	.....	.....
1	.65	.50	Sherritt Gordon	29,050	.60	.59	.50	.52
1	.62½	.50	Siscoe	185,505	.53	.62½	.56½	.60
1	.03	.01½	South Keora	2,500	.02½	.02½	.02	.02½
No	.02½	.01½	Stadacona	4,000	.01½	.01½	.01½	.01½
1	.17	.07½	St. Anthony	1,300	.16	.15	.12½	.15
No	.45	.36	Sudbury Basin	1,800	.38	.37	.36	.37
	.01½	.00½	Sudbury Contact	.....	.01½	.....	.....	.....

Par Val.	Range 1932 High	Range 1932 Low	Company	Sales	Close Feb. 8 (or last)	High for week	Low for week	Close Feb. 15
1	.00½	.00½	Sudbury Mines	11,500	.00½	.00½	.00½	.00½
No	*.00½	.01	Sudbury Nickel	.....	.03½	.....	.....	.....
1	.10	.09	Sullivan	5,600	.09	.10	.09	.09
1	.65	.52½	Sylvanite	8,450	.62	.58	.55	.57½
1	.07	.05	Tashota	1,600	.05½	.06	.05	.06
1	5.25	4.20	Teck Hughes	26,009	4.53	4.60	4.29	4.50
1	*.10½	.01	Telluride	.....	.01	.....	.....	.....
1	*.01½	.01	Temiskaming	.....	.01½	.....	.....	.....
1	.02½	.02	Thom. Cadillac	.....	.02	.....	.....	.....
1	*.02½	.00½	Tough Oakes	.....	.01	.....	.....	.....
1	.40	.25	Towagmac	.....	.35	.....	.....	.....
No	1.30	1.01	Treadwell	50	1.24	1.25	1.25	1.25
No	*2.85	2.40	Tri-Metals	.....	2.85	.....	.....	.....
1	.09½	.08	United Kirkland	500	.08	.09	.09	.09
1	.01½	.01	Vacuum Gas	500	.01½	.01	.01	.01
No	.53	.43	Ventures	29,580	.50	.48	.43	.46½
1	.17½	.14	Vickers	3,000	.17½	.15	.14	.14
1	.45	.30	Vipond	6,700	.36	.37	.30	.37
No	1.00	.60	Waite Ackerman	725	.90	.90	.75	.80
1	*.02½	.01	West Tree	.....	.01	.....	.....	.....
1	.04	.03	White Lake	5,000	.03	.04	.03½	.03½
1	*.06	.01½	Wiltsey	.....	.01½	.....	.....	.....
No	*.01½	.00½	Windfall R.	.....	.01	.....	.....	.....
	*.13	.03½	Wood Kirk	.....	.04	.....	.....	.....
No	3.06	2.65	Wright-Hargreaves	10,960	2.80	2.85	2.65	2.78
			WESTERN OIL STOCKS					
No	.19	.14½	Acme	14,400	.16	.15½	.14½	.15½
1	1.17	.90	Ajax	23,650	1.03	1.05	.90	1.03
1	.12	.08	Alta. Pacific	1,550	.08	.10	.08	.10
	*.01	.01	Askalta	.....	.01	.....	.....	.....
No	.10	.04½	Associated	3,200	.05	.07	.05	.07
No	.04	.02	Baltac	.....	.02	.....	.....	.....
	.04½	.00½	Benton	12,000	.02½	.04½	.02	.04½
1	*.07	.02	Black Diamond	.....	.02	.....	.....	.....
1	.06	.04½	Brit. Dominion	.....	.04½	.....	.....	.....
No	.38	.30	Calgary & Ed.	3,300	.34	.31	.30	.31
1	.09	.05	Calmont	2,450	.07	.06	.05	.05½
1	.09	.07½	Comm. Pete	200	.08	.08	.08	.08
No	*.29½	.26½	Crudome	.....	.28½	.....	.....	.....
No	.20	.15	Dalhousie	400	.15	.20	.18½	.18½
No	*.08	.01	Devenish	.....	.01½	.....	.....	.....
No	.02	.01	Dome Oil	3,000	.01	.01½	.01	.01½
No	.12	.04	East Crest	1,750	.12	.11	.04	.11
No	*.05	.00½	Fabyan Pete	.....	.00½	.....	.....	.....
No	*.60	.05	Foothills	.....	.08	.....	.....	.....
No	.03½	.03	Freehold	1,000	.03	.03	.03	.03
1	.02	.02	Great West	.....	.02	.....	.....	.....
No	.05	.04	Hargal	.....	.04½	.....	.....	.....
No	*.10	.03	Herron Pete	.....	.03½	.....	.....	.....
No	.05	.04	High Sarcee	2,750	.04½	.04	.04	.04
No	.47	.34	Home	800	.41	.37	.34	.34
No	.05	.03	Homestead	500	.04	.03½	.03½	.03½
1	.48	.24	Homest'd O. & G.	500	.33	.28	.28	.28
	*.10	.09	Hylo	.....	.09	.....	.....	.....
1	.01	.00½	Illinois Alta	5,000	.00½	.00½	.00½	.00½
No	*.70	.10½	Lowery	.....	.18	.....	.....	.....
1	.02	.01	Madison	.....	.01½	.....	.....	.....
1	.15	.14	Mayland	.....	.15	.....	.....	.....
No	.04	.03½	McD. Segur Ex.	.....	.03½	.....	.....	.....
1	.04½	.03½	McD. Segur N.	.....	.03½	.....	.....	.....
1	.50	.32	McLeod	.....	.32	.....	.....	.....
No	.40	.08	Mercury	5,200	.08½	.09½	.08½	.09
No	.08	.05	Merland	500	.06	.06	.06	.06
No	.12	.10	Mill City Pete	.....	.11	.....	.....	.....
1	.18	.16½	Model	500	.16½	.18	.18	.18
1	.04	.04	Monalta	.....	.04	.....	.....	.....
1	.07	.04½	Moose Mountain	.....	.04½	.....	.....	.....
1	.01	.01	New Federal	.....	.01	.....	.....	.....
5	.14	.07½	Nordon	15,375	.11	.10	.07½	.09
No	.04½	.03	Oil Selection	7,500	.03	.03½	.03	.03½
No	.05	.04	Okalta	.....	.04	.....	.....	.....
100	15.00	15.00	Do., pref.	.....	15.00	.....	.....	.....
No	.20	.13	Olga Gas & Oil	2,000	.16	.14	.13	.13
No	.06½	.02	Penn. Pete	77,600	.05½	.04½	.03½	.04½
1	.28	.18	Petrol	.....	.20	.....	.....	.....
No	.14	.09	Ranchmen's	640	.11	.12	.12	.12
1	.01	.01	Regent	.....	.01	.....	.....	.....
No	.02½	.01½	Richfield	.....	.01½	.....	.....	.....
No	6.65	6.00	Royalite	62	6.50	6.50	6.25	6.50
1	.10	.05	Sarnia Oil	2,000	.09	.06	.06	.06
1	.03	.01½	Signal Hill	1,000	.01½	.02	.02	.02
No	*.27	.05	South West Pete	.....	.10	.....	.....	.....
1	.20	.17	Spooner	100	.18½	.17	.17	.17
No	.11	.06	Sterling Pacific	2,700	.08½	.07	.06	.06
L	.11	.11	Turner Valley	.....	.11	.....	.....	.....
No	.08	.07	United	600	.07½	.07½	.07½	.07½
1	.09	.09	Vulcan	.....	.09	.....	.....	.....
No	.02	.00½	Wainwell	.....	.00½	.....	.....	.....
1	*.28	.08	Waite Valley	.....	.08½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to February 20)					
25c	.00½	.00½	Bayview	5,000	.00½	.00½	.00½	.00½
25c	.04½	.03½	Beaver Silver	5,000	.04	.04	.03½	.03½
25c	.02½	.02	Bluebird	.....	.02	.....	.....	.....
1	.12½	.09	Bridge River Cons.	35,200	.12½	.10½	.09½	.09½
25c	*.80	.40	B. C. Silver	.....	.40	.....	.....	.....
25c	*.02	.00½	Cork Province	.....	.01	.....	.....	.....
1	.08	.06	Cotton Belt	500	.06	.08	.08	.08
1	*.03	.02	Dalhousie Mines	.....	.02½	.....	.....	.....
1	*.04	.02	Dunwell	.....	.02	.....	.....	.....
1	*.10	.02	Duthie	.....	.02½	.....	.....	.....
1	.45	.45	George Copper	.....	.45	.....	.....	.....
50c	.01½	.01½	Geo. Enterprise	.....	.01½	.....	.....	.....
1	.04½	.02½	Georgia River	13,500	.03	.03	.02½	.02½
1	.24	.21	Golconda	.....	.24	.....	.....	.....
50c	.08	.06	Grandview	8,700	.06½	.07	.06	.06½
No	*27.50	15.00	Howe Sound	.....	21.25	.....	.....	.....
1	.11	.09	Intern. Coal	.....	.11	.....	.....	.....
1	.02	.01	Independence	.....	.01½	.....	.....	.....
1	.01	.01	Indian Mines	.....	.01	.....	.....	.....
1	*.43	.22	Jack Waite	.....	.25	.....	.....	.....
25c	*.02	.00½	Kootenay King	.....	.01	.....	.....	.....
25c	*.02	.00½	L. & L.	.....	.02	.....	.....	.....
1	.19½	.13½	Lorne Gold	59,700	.17½	.17	.16	.16
1	*.12	.12	Los Ang. Van.	.....	.12	.....	.....	.....
10c	.02	.02	Lucky Jim	.....	.02	.....	.....	.....
2.50	*.01	.00½	Marmot Gold	.....	.01	.....	.....	.....
5	.09	.08	Metaline Metals	.....	.08	.....	.....	.....
1	.03	.01½	Morton Woosley	.....	.01½	.....	.....	.....
50c	.03	.02½	National Silver	1,000	.02½	.02½	.02½	.02½
50c	.08½	.05	Noble Five	1,000	.06	.05½	.05½	.05½
50c	.01	.01	Oregon Copper	13,000	.02	.01	.01	.01
1	3.85	3.30	Pioneer Gold	1,000	3.40	3.66	3.50	3.66
No	.01	.00¾	Premier Border	.....	.01	.....	.....	.....
50c	.08½	.06	Porter Idaho	8,000	.07	.06½	.06	.06
No	.28	.25	Reeves McDonald	500	.26	.25	.25	.25
1	.27½	.22½	Reno Gold	5,500	.20½	.27	.26	.26
1	*.04	.01	Rufus Argenta	.....	.01	.....	.....	.....
1	*.05	.04	Ruth Hope	500	.05	.04	.04	.04
1	.03½	.02½	Silverado	1,000	.02½	.03½	.03½	.03½
25c	.02	.01½	Silver Crest	.....	.01½	.....	.....	.....
50c	.01½	.01½	Snowflake	5,000	.02	.01½	.01½	.01½
1	*.45	.25	Sunloch	.....	.25	.....	.....	.....
50c	*.02	.01	Topley Rich	.....	.02	.....	.....	.....
5	*.20	.05	Toric	.....	.05	.....	.....	.....
20c	.02½	.02	Wellington	.....	.02½	.....	.....	.....
1	*.08	.02	Whitewater	.....	.05	.....	.....	.....
No	.00¾	.00¾	Woodbine	15,500	.01	.00¾	.00¾	.00¾

*Quotations for 1931.

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$2.50+a	3.54	Model Oils	9c.	....
Dome Mines	$1	10.05	Noranda	50c.	3.07
Granby	50c.	....	Premier	12c.	....
Hollinger	65c.+5	13.86	Pioneer, B.C.	12c.	3.42
Howe Sound	$2	....	Sylvanite	4c.	....
Lake Shore	$2+50c.	8.64	Teck Hughes	60c.+5	14.44
McIntyre	$1	5.77	Wright-Har.	10+2½c.	4.49
McLeod Oils	5c.	....			

a. Stock bonus 1 share for each 20 shares held.

WHEN REMITTING
SEND
CANADIAN NATIONAL EXPRESS
MONEY ORDERS

ENVELOPES
MACHINE OR HAND MADE
PRINTED OR PLAIN
TORONTO ENVELOPE CO., LTD.
366 ADELAIDE ST., WEST
TORONTO 2

Established 1889
J. P. LANGLEY & CO.
C. P. ROBERTS, C.A.
Chartered Accountants
G. S. HOLMESTED
Trustee in Bankruptcy Proceedings
Offices: McKinnon Bldg., Toronto

CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH
CLARKSON, McDONALD, CURRIE & COMPANY
TORONTO OTTAWA WINDSOR
MONTREAL and QUEBEC
Chartered Accountants
E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers
15 WELLINGTON STREET WEST TORONTO

MILLAR, MACDONALD & CO
CHARTERED ACCOUNTANTS
WINNIPEG WINDSOR

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

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QUALIFIED ACTUARIES
Specializing in Pension Fund organization and valuation, statistical analysis and Hollerith tabulation for casualty, fire and life insurance companies.
1240 Phillip Square
MONTREAL
Metropolitan Bldg.,
TORONTO

THE
LONDON & WESTERN TRUSTS
COMPANY LIMITED
ESTABLISHED 1896
LONDON · TORONTO · WINNIPEG · SASKATOON
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Canadian Mining News

MANY GOLD MILLS UNDER ERECTION IN SIX PROVINCES

Activity as Never Before in the Expansion of Gold Mining

MANY NEW AREAS

Every Gold Producing Province to Record Gain During Current Year

1932 promises to be a busy year for gold mines in Canada with many new properties being ushered into production.

A survey of the Dominion shows six of the nine provinces contemplating additional gold production with Ontario predominating as it did in 1930.

In the Porcupine area the Hayden Gold Mines plans the erection of a 50-ton mill, the equipment for which has already been purchased from the Canadian Allis-Chalmers. Another property in the Porcupine area that will slightly increase its production in 1932 is Dome. A refinement is being made to the metallurgical process which is expected to improve extraction and increase production.

In the Kirkland Lake area Lake Shore Mines is completing the installation of flotation equipment which with minor refinements will give it a capacity of close to 3,000 tons per day. Plans are also being laid for a plant to be operated jointly by the producing properties of the Kirkland Lake area to treat the tailings now impounded in Kirkland Lake.

Matachewan a Producer

During the current year Matachewan area, after many years of exploration, will enter the ranks of the producers. Mining Corp. of Canada has just announced a 150-ton mill for its Ashley property. Thus, in less than two years following the discovery of the Ashley property it starts commercial production.

In the Fort William area the 100-ton mill of the Moss Gold Mines has just been brought into production and thus Ontario's oldest gold mine again resumes work. Further to the north in the Sturgeon Bay area the St. Anthony Gold Mines is making preparations to rehabilitate its property and join the ranks of the producers during 1932.

Another mining property that inaugurates the treatment of a new mineral in the Dominion is the International Radium and Resources Corp., which is tuning up a concentrator at its holdings in Haliburton County, preparatory to making a radium ore concentrate.

The Central Manitoba area is to have a new producer, planned to start next month. Here the San Antonio Gold Mines has a 150-ton mill nearing completion, which will make the second producer in the area.

In the same general area, but north on the Manitoba-Ontario boundary the Gem Lake Mines plan increasing the pilot mill it placed into operation late last fall.

Saskatchewan, too, promises to enter the ranks of the gold producers in 1932 as the Amisk Lake Gold Syndicate has announced its intention to build a mill following the completion of the road into its property from Flin Flon, Manitoba.

Alberta's First

In Alberta a gold dredge is receiving its final touches of assembly at the property of the McLeod River Mining Corp. Thus in 1932 Alberta will add its quota of gold from the first placer operation carried on, on a commercial scale in the province. This dredge has a capacity of 80,000 cu. yards of gravel monthly.

In British Columbia the Bralorne Mines is just tuning up a new 100-ton mill at the old Lorne Gold property in the Cadwallader Creek section of the Bridge River district, adjacent to the operations of the Pioneer Gold Mines.

Pioneer Gold Mines, too, plans on increasing its milling facilities from 150 to 300 tons by October of this year.

At the Big Missouri property in the Salmon River section of the Portland Canal mining division the Consolidated Smelters is marking time after operating a test plant. Some announcement of mill construction at this property is expected during the year.

Alexandria Mining Co., on Phillips Arm, north of Vancouver, also looms as a possible producer in 1932, as it has just been assured finances and an intensive exploration programme is being launched following which mill construction plans will be announced.

In Quebec the Cadillac township area is expected to be producing this year owing to the developments at the O'Brien mine.

The most important large producer looming in Quebec is the Beattie property in Duparquet township, now under development by Ventures. An initial unit of 1,000 to 1,500 tons capacity is now being planned and it is expected that before the end of the year construction will be started.

Siscoe Expanding

At the Siscoe property, Varsan township, the pioneer gold producer in Quebec, plans are being laid for increasing the present mill of 150 tons capacity. It is expected that before the end of the year construction will be under way for increasing the output to approximately 400 tons a day.

Granada Gold recently added refinements to its plant that increased its capacity and if developments are successful in the new areas being explored a substantial increase in capacity may be undertaken during the current year.

Aldermac Mines, while not a gold producer, started its new plant early this year. Here the main product will be pyrite used in conjunction with the Freeman burner to produce sulphuric acid. A copper concentrate, however, will be produced and shipped to the Noranda smelter. One-half the plant capacity or 250 tons daily, is now being treated at the new mill and it is hoped with the expansion of the new process to make sulphuric acid, that the balance of the plant will be pressed into service before the end of the year.

In Nova Scotia plans have just been announced for the construction of a tungsten concentrator at the property of the Indian Pass Mines, near Lunenburg.

Many Test Mills

Thus, of the nine provinces, New Brunswick and Prince Edward Island alone, neither of which have entered the ranks of the commercial producers of metallic minerals, do not figure in Canada's expanding mineral construction programme. In addition to the numerous plans outlined preparations are being laid for the installation of numerous small test plants that are hoped to pave the way for larger units.

Throughout the Dominion there is an intense search taking place for gold properties. This search has been intensified by the increasing demand for gold, its increased purchasing power, its lower cost production and currently by the premium being paid on gold production owing to the adverse exchange situation between Canada and the United States. Sympathetic provincial and federal governments are aiding in the search for new gold properties. This coupled with the assurance of non-interference by higher taxation is giving an impetus to the gold mining and 1932 promises to show a substantial increase in production over that of 1931—when a 30 per cent increase over 1930 was recorded which placed Canada second only to the Rand among the world's gold producers.

Moffatt-Hall Stock Active Selling at 5c.

Moffatt-Hall Mines continues to be one of the most active traders and on February 15, 42,400 shares changed hands on the Standard Stock & Mining Exchange, at around five cents per share.

A few weeks ago, a new option agreement was made with Haland Traders, Ltd., in which a group of New Yorkers who had previously been interested in Moffatt-Hall option are interested. The new agreement is understood to involve an option on the balance of the treasury stock, amounting to approximately 1,500,000 shares. One block amounting to 500,000 shares is under option at three cents per share, to March 5, and the volume of the shares traded on the Standard Stock & Mining Exchange reflects the activity of the financial sponsors.

The Commissioner of the Security Frauds Prevention Act is known to have been watching the stock market activities of Moffatt-Hall.

HARKER APPROVES BUYING PREFERRED OF AIR MINERS

Converts Securities to Finance Activities of Exploration Co.

At a special meeting of the shareholders of Harker's Gold Mines held in Toronto, February 13, approval was given to purchase $125,000 of the preferred stock of Northern Aerial Minerals Exploration, at a discount of 25 per cent to finance further activities.

The deal by N. A. M. E. involves a cash investment of $93,750 and carries with it a bonus of 2,500 shares of common stock. The purchase of the preferred stock carries with it a 25 per cent interest in the various groups of claims held by N. A. M. E. at Dismal Lakes, in the Copper Mine River area, Northwest Territory, and a 25 per cent interest in any future claims that may be acquired and patented in the area. This does not include claims that may be staked by N. A. M. E. adjacent to Great Bear Lake.

This depletes the Harker treasury of its principal liquid assets, which included 3,300 shares in Lake Shore Mines. Its future is now tied up with that of N. A. M. E. in its exploration work.

A diamond drill has been delivered to the Dismal Lakes property, and will be ready for use when operations are resumed early next spring. Surface trenching has exposed a high grade showing of copper ore, which in one trench averaged 47.13 per cent copper across a width of six feet. In other trenches limited work showed greater width, and great promise is held for developing an ore body of some size.

In addition to the diamond drilling, a geo-physical survey has been arranged for on favorable terms which do not commit the company to any expenditure unless diamond drilling confirms the deductions of the geo-physical survey.

Climatic conditions and surface water greatly hampered the surface exploration last year, and this season's work is expected to determine the magnitude of the deposit.

Goldfields Con. Mines In Strong Position

The Goldfield Consolidated Mines Co. has issued a copy of its balance sheet in the absence of the formal printed report, showing liquid assets of $430,450 and current liabilities of $80,000.

Goldfield Consolidated is an old producer and former dividend payer, which now operates as a holding and exploration company with 51 per cent interest in the Base Metals Mining Corp., an important lead-silver-zinc property near Field, B.C., in which Mining Corp. of Canada is also interested.

Another subsidiary of Goldfield Consolidated is the Goldfield Mines Exploration Co., which conducts exploration work and which in 1930 started the manufacture of fuel briquettes under contract with the citrus growers of California. These briquettes are used as a smudge fuel to protect the orchards from frost.

The company has an authorized capitalization of $50,000,000 in $10 par value shares of which $38,591,480 is outstanding. The company's head office is Reno, Nevada.

SISCOE REPORTS $312,442 PROFIT MUCH WORK DONE

Recovery Averaged $13.35 Per Ton and Increased to $20.80 in January

A preliminary report by the Siscoe Gold Mines for the year ended Dec. 31, 1931, reflects the expansion programme completed early in the year, with a gold bullion output valued at $742,811—more than the total production of previous years and in excess of double the production in 1930.

During the year 55,675 tons of ore, averaging $13.62 per ton, was treated. This compares with 33,744 tons, averaging $11.11 per ton, in 1930. During the final month of the year the premium accruing on gold production amounted to an additional $44,912.

The report showed the metallurgical losses to be very small, averaging 28½ cents per ton, as compared with 23 cents in 1930. Operating costs are again reduced and are shown at $6.63 as compared with $7.75 during the previous year. The mill averaged 152 tons per day throughout the year as compared with 94 tons in 1930. Early in 1932 the mill was treating at the rate of 175 tons per day.

The net profit for the year after all deductions including reserve for depreciation and taxes is shown at $312,442 as compared with $3,610 in 1930 and $4,954 in 1929, the first year of production.

One of the outstanding features of the report is the amount of development work done, amounting to 6,587 lineal ft., in addition to 152 ft. of shaft-sinking and 6,889 ft. of diamond drilling. The ore reserves are reported to show a comfortable advance over those of previous years.

During January the company produced gold bullion to the value of $103,828 from 5,087 tons of ore treated. This is equivalent to a recovery of $20.80 per ton. The premium received during January averaged 14.67 per cent.

BRALCO. ADVANCES ARE TO BE REPAID FROM OPERATIONS

Mill at Old Lorne Property is Now Being Tuned Up

Some confusion exists as to the position of Lorne Gold Mines and its interest in the Bralorne Mines, formed to operate the old Lorne property in the Cadwallader Creek section of the Bridge River district, British Columbia.

Early in 1931, after Lorne Gold became financially involved, an offer was accepted from the Bralco Development & Investment Co., whereby it would finance the Lorne property to the production stage. Under the terms of the agreement Bralco advanced $95,000 to make the final payment on the property, $50,000 to go into development work, and up to $150,000 to build a mill and power plant. All of these three sums are repayable to Bralco from profits from the property. In consideration of making these advances Bralco secured 600,000 shares in the Bralorne Mines, formed to hold title to the old Lorne property, and Lorne Gold Mines received 400,000 shares in the new company.

New Mill Ready

At the present time the mill is tuning up and small quantities of ore are being put through. The flow sheet embraces amalgamation and flotation and it is the company's intention to ship the flotation concentrates for the present time. In the future it is planned to put in a cyanide plant to treat the concentrates.

YANKEE GIRL MINE SHIPPING GOLD ORE

New Interests Developing Property With View to Mill

The Yankee Girl mine at Ymir, B.C., has again entered the ranks of the gold producers, making shipments to the Trail smelter.

The property was under option to the Yankee Girl Consolidated Mines during the time it was financially sponsored by the now defunct firm of Stobie Forlong and Co. Owing to the option agreements not being met the property reverted to the original owners, W. McDowell and associates of Fort Worth, Texas, who have leased it under option to Messrs. Crawford and Weeks.

The property was successfully operated during 1926, 1927 and 1928, and has a production record of 57,427 tons of ore containing 2,242,500 pounds of zinc, 1,866,133 pounds of lead, 165,919 oz. of silver and 27,891 oz. of gold. During the time it formed one of the assets of the Yankee Girl Consolidated Mines the ore reserves were estimated at 130,000 tons averaging $14 per ton in gold and silver. The development programme included driving a long adit and the erection of a mill. The present operators are conducting development work in the hopes that a mill will be justified, as costs have been reduced and indications are that again the property will be on a profitable basis.

Morton Woolsey Mines Reports Quiet Period

The annual report of Morton Woolsey Consolidated Mines for the year ended December 31, 1931, states that the period was one of retrenchment and strict economy and as a consequence no material advancement in the physical condition of the company's holdings is reported.

The balance sheet shows current assets totalling $26,789 and current liabilities totalling $59,183, $59,000 of which is the balance owing to the Yorkshire Trust Co. on account of the Dorothy Morton claims.

Of the authorized capitalization of $3,000,000 in $1 par value shares 2,018,762 have been issued or are issuable in exchange for the original capitalization, which was in 25-cent par value shares.

The annual meeting of the company is called for February 17 in Vancouver.

NICKEL PASSES COM. DIVIDEND, BUSINESS SLOW

Reduced Earnings Dictate Dividends Be Suspended to Conserve Cash

Following a directors' meeting on February 15, the International Nickel Co. of Canada announced that it had suspended dividends on its common shares.

A dividend would normally have been due on March 31. The passing of the dividend was not a surprise to those closely following the activities of the company. As earnings have been steadily diminishing, and in the last quarter for which figures are available, the three months ended September 30, earnings were down to 1c per share.

The initial dividend, by the present merged company, was 20 cents payable on March 30, 1929. This was increased to 25 cents quarterly, with a payment on September 30, 1929, which rate prevailed until March 30, 1931, when the rate was reduced to 15 cents quarterly. With the distribution on September 30, 1931, it was further reduced to 10 cents quarterly and with the disbursement payable on December 31, it was again reduced to 5 cents quarterly.

The official statement signed by Robert C. Stanley, president of the company, is as follows:

"The directors have determined to take no action at this time on the common dividend. Whether or not common dividends can prudently be paid for the year now current, will depend upon developments which can not now be foreseen. Later in the year, the question will be re-examined in the light of the then situation and particularly the cash position of the company as affected by its ability in the meantime to sell its products. The past action of the directors in maintaining common dividends, even though at decreasing rates, constitutes an evidence of their desire to provide income to the stockholders during the present period of depression and an assurance that dividends will be resumed as soon as it can reasonably be assured that this will not prejudice their investment."

DOME'S RECOVERY IS MUCH IMPROVED BY NEW ADDITIONS

February Mill Heads at Record Rate and Tailing Losses Low

Refinements in the metallurgical process employed at the Dome Mines and the introduction of blanket tables are showing a marked improvement in the recovery made. When Dome Mines placed its new mill in service in October, 1930, following the destruction of its old mill by fire, it omitted amalgamation from its system of treatment. It has been known for some months that the recovery made was not up to expectation, which has prompted the company to make minor changes now completed.

The Financial Post is creditably informed, that the tailings, a few months ago, were running as high as $1 per ton. Now that the new treatment is employed the tailings are stated to be less than one-third this amount. Coincident with the new metallurgical treatment, the mill heads have been increased, and the recovery per ton made during February, has been higher than the average recovery of any year during the past eight years. The recovery per ton during the three months ended December 31, 1931, was the lowest of any quarter during the year, and some concern was expressed lest a lower grade of ore would be treated in the future. In future months a higher recovery is expected. During the first part of February the mill heads averaged close to $9 per ton.

Several months ago The Financial Post announced that a new ore body had been encountered that offered important possibilities both with respect to grade and tonnage. Subsequent developments have confirmed early indications, and recently some of the assays made bordered on the spectacular.

The Jowsey claims in Louvrcourt township, Quebec, optioned last month by Dome, are viewed as most encouraging. A channel sample from one trench opened up, assayed $14 per ton over a width of 28 ft. and a diamond drill is now being moved into the property to test the vein at depth. Dome officials are known to be optimistic about the early indications.

Paymaster Announces Further N. Y. Financing

Paymaster Consolidated Mines announces that it has entered into an agreement with New York interests who contemplate the complete financing of the company.

The agreement calls for an option on 1,000,000 shares of treasury stock. Last year the company announced that an agreement had been entered into with New York interests for financing, but the deal did not prove satisfactory and it was finally dropped after a small amount of money was paid into the company's treasury.

Officials state that since the balance sheet dated June 13, 1931, was issued the company has paid off all of its accounts payable amounting to $11,121 and notes payable amounting to $6,475, also that it has reduced the outstanding notes due to the United Mineral Lands Corp., from $42,495 to $34,675. During the past two years officials state that in addition to maintenance, taxes and insurance, over $180,000 indebtedness has been liquidated.

St. Anthony Reports Financing Continues

The annual report of St. Anthony Gold Mines for the fiscal year ended December 31, 1931, shows current assets of $6,123 and current liabilities of $21,506. The issued capitalization has increased from 2,230,753 shares, shown on December 31, 1930 to 2,341,900 shares in the last statement.

The disbursements during the year, including the expense of maintaining the property was $9,086, less an adjustment of $3,478 in the 1930 expenses. The total deficit carried to the balance sheet is now shown as $148,365.

Negotiations are being continued to complete financing to carry on development work.

The annual meeting of the company is called for February 22, in Toronto.

Should Mining Profits Be Disbursed as Earned?

Sixth of Series of Articles on Results of Policies Followed by Leading Canadian Mines

No. 6, Dome Mines

In this series of articles an endeavor has been made to show the policies of the dividend-paying gold mining companies with regard to the investment of their profits.

In these articles, for the most part, it has been shown that the exploration policies of the different companies have not brought the rewards anticipated and that although many outside properties have been explored no company has yet been able to perpetuate its existence through the discovery of another mine. It has also been shown that the investment policies of the companies have not worked out to the advantage of the shareholders. This is largely due to the current depression that has affected all manner of investments, even preferred securities such as government bonds.

The opinion of many shareholders at the present time is that the dividends of the period should be disbursed to the shareholders of the period and that earnings should not be pre-empted in order to build up a surplus beyond an adequate amount to cover possible contingencies of operations.

Large Reserve Favored

In defence of the policy of building up a large earned surplus one prominent mining executive voices the opinion that shareholders should expect an equity behind their stock approaching its selling price; that is, if the average market price of a stock in recent years has been around $20 per share a shareholder should expect an equity behind his investment to this amount, this equity to be made up either of an earned surplus in the company's treasury or by the expected profit on its estimated ore reserves. He further states that it is incumbent upon the directors of a company so to fortify the company's position during a time of plenty that dividends could be maintained during the times of depression so that shareholders who are dependent on dividends from a specific source will not have to experience hardships through suspension of dividends. A mine, he says, is a wasting asset, that at all times the future is most uncertain, that all mines experience lean sections, and that there is forever the danger of production being interrupted through fire or other causes. If an adequate earned surplus is not built up and catastrophe overtakes a company, the suspension of dividends is inevitable and for this reason it is of paramount importance that at all times adequate reserves be on hand.

Dome's Surplus Large

Dome Mines stands out as a company that has built up a large earned surplus and it is the avowed policy of its president, Jules S. Bache, to put an equity of $10 per share behind the company's stock. In 1927 Dome Mines reduced its dividend from $2 to $1 per share and during the succeeding three years its earnings were substantially in excess of dividend requirements, with the result that a large surplus was built up. In October, 1929, a fire destroyed the company's mill, but dividends were continued uninterrupted. In October, 1930, a new mill was completed and placed in operation and on December 31, 1930, the liquid assets of the company were shown at $5,591,746, equivalent to approximately $5.80 per share. In addition the ore reserves estimated at 2,000,000 tons, had, based on previous recovery and production costs, a net value of approximately $2,500,000 or an additional $2.60 per share.

During the past year Dome's investments are known to have suffered some loss, but those conversant with Dome's investment policy state the losses have probably been less than those of most investments by mining companies, due to the facilities of its president for watching these investments.

Criticism has been directed at Dome's president for investing to such a large extent in American securities. This is defended on the grounds that the American securities offered a better opportunity for observation and further that they could be liquidated in large blocks without depressing the market, such is not the case when large blocks of Canadian securities are liquidated.

Invests in Gold Mine

It is not stated what is the relative proportion of government bonds and railway bonds now held by Dome, but it is known that some of the latter were liquidated last summer when Dome became interested in the East Geduld Mines, a new gold producer in South Africa. It has never been officially stated just what Dome's interest is in this gold producer, but The Financial Post is creditably informed that it is approximately $1,000,000. This investment promises to show a much higher yield than the company's investment in bonds and already the market quotations for the East Geduld shares are higher than Dome's purchase price. Furthermore, the proven ore reserves are such as to give a life estimated at 25 years to the company's operations and offers great security.

It will thus be seen that while Dome's policy of building up a larger surplus has resulted in some losses, on the whole it reflects capable management and that earnings from investments alone would go a long way toward paying the current dividend rate.

Dome's policy as well as that of McIntyre, another company that has built up a large earned surplus, has had the effect of stabilizing the market value of the company's shares and they are not so susceptible to violent fluctuations as are many of the other gold stocks.

Danger of Taxation

One objection offered by a Dome shareholder against the policy of building up a large earned surplus is the possible revision of taxation by provincial and federal governments respecting dividends from gold mining stocks. At the present time shareholders are exempt from income tax to the extent of 50 per cent of the dividends paid, owing to gold mining being recognized by governments as a wasting asset and 50 per cent of the dividends are allowed to be considered as repayment of capital. It is contended that if the policy, as practised by some mining companies of building up a huge earned surplus instead of disbursing earnings to shareholders is continued the governments may be tempted to revise present regulations and place more drastic taxation on gold mines to compensate for the loss in taxation by dividends not being disbursed. That is, if a mining company is earning $2.50 per share and disburses $1 per share in dividends to the shareholders where it might disburse $2 per share and it thereby deprives the government of income tax on $1, and therefore mining companies building up an earned surplus are courting increased taxation by the governments, which are prone at the present time to seek every source of revenue.

IMPERIAL TEXAS PENETRATES LIME IN WILDCAT WELL

Oil Showing in Test Well Being Drilled Near Lethbridge

From Our Own Correspondent

LETHBRIDGE, Alta., Feb. 8.—Imperial Oil and the Texas Co. are jointly interested in the Lethbridge No. 1 well, two miles west of Lethbridge, which penetrated the lime recently to find a favorable oil showing. J. H. McLeod, production manager of the Imperial Oil Co., confirmed the report, explaining that at 4,551 ft. the bit touched the lime and found an oil showing. Mr. McLeod said the volume of oil in the lime could not be forecast as the bit had merely entered the formation. The well will be reamed, the casing lowered to the top of the lime and cemented. This will shut off water. It will then be drilled in and tested, Mr. McLeod said.

This wildcat, started in December, 1930, was drilled jointly on acreage secured from Lethbridge Petroleum. The venture was started on an acreage and royalty basis. In addition Imperial Oil owns three sections secured from Hon. Robert Rogers, of Winnipeg. It appears to be on the same general series of anticlines as the Keho Lake and Parco-Nordon wells, both of which got a small amount of oil at the top of the lime.

The Lethbridge well is the first drilling the Texas Co. has done in Canada and is the only Imperial outfit working. The oil is said to be similar to that found in the Keho Lake well, which tests around 34 gravity.

Hudson's Bay Oil Co. has stacked its tools for the winter and will complete the Keho discovery well in the spring. They expect to resume the middle of April.

MANGANESE MINES PLANS EXPANSION

Development Was Started in 1930; 6,000 Tons Shipped to Date

MONCTON, N.B.—Operations at the manganese mine of Manganese Mines, Ltd. at Turtle Creek, N.B., are expected to result in a considerable increase in shipments of ore, according to traffic officials of the Canadian National Railways here. Reports are that new and more modern equipment will be installed within the next few weeks.

The development at Turtle Creek was commenced in March, 1930, and since that time, 6,000 tons of ore have been shipped. The mine is located about 12 miles from the Canadian National Railways station at Turtle Creek and a large loading platform has been built there.

Tailings

Parkhill Mines is deepening its shaft to an immediate objective of 500 ft. where a fourth level will be opened up. As soon as the 500-ft. level is opened, it is planned to sink to a depth of 750-ft. and open up two additional levels. The mill is working to capacity, treating approximately 60 tons per day or a monthly production of between $18,000 and $20,000 per month in gold bullion.

* * *

LeRoy Gold Mines was the first property in the Pascalis-Louvicourt area to cut its vein system and start lateral work. On the 125-ft. level over a distance of 140-ft. north of the shaft, four veins have been intersected. The veins vary from 2 to 4 ft. in width, all of which are reported to be well mineralized and carrying free gold. Channel assays have been taken, but the results are not yet available. Sinking is to continue to the 250-ft. horizon where additional lateral work will be undertaken.

* * *

Shaft-sinking at the Canadian Pandora Gold Mines in Cadillac township, Quebec, is nearing the 250-ft. horizon. Sinking is planned to be carried to the 500-ft. level, but as soon as the 250-ft. horizon is reached short crosscuts will be made to the No. 5 vein, the one principally explored in diamond drilling.

Metal Prices

New York—February 16—

Copper: Electrolytic spot, 6¼ to 6½c. lb.

London—February 16—

(Long Ton)—

Copper: Electrolytic spot, £42; future, £43.
Standard spot, £38 5s; future, £37 12s 6d.
Tin: Spot, £139 10s; future, £142 5s.
Lead: Spot, £14 17s 6d; future, £14 17s 6d.
Zinc: Spot, £14 7s 6d; future, £14 15s.
Silver: 19⅝d. per ounce.

U. S. Engineers Told of Radium At Great Bear

In an address before the American Institute of Mining and Metallurgical Engineers in New York on February 16, Hugh S. Spence, mineral technologist of the Department of Mines, Ottawa, said within the next two or three years Canada will give the world so large a supply of radium as to decrease materially its price and make it available to medical institutions that cannot now obtain it.

The proposition is too big for individuals, he said, as trips to the region by aeroplane cost around $2,000 and the mining of the ore entails great mechanical and transportation difficulties. Six well backed Canadian mining companies are in the area as well as a few smaller companies.

"This is the most important mineral discovery in many years," he said. "Two veins have been proved over a combined length of 2,000 feet, and pitchblende has been found at several points over a distance of two miles. Samples of the ore show one gram of radium to between six-and-a-half and thirteen tons of ore."

TUNGSTEN MINE IN NOVA SCOTIA PLANNING MILL

Recent Development Work Said to Indicate Commercial Ore

Canada is to have a new mineral industry, a tungsten mine in Nova Scotia, according to an official report by the Indian Path Mines, which says that development work, especially diamond drilling during the past summer, has led to the decision to install a concentrating plant during 1932.

The company was organized in 1929 to acquire the assets of the Indian Path Gold Prospective Syndicate, holding leases on approximately one square mile and licenses to search over two square miles in Lunenburg county, Nova Scotia, between Lunenburg Bay and Lahave River, about six miles south of Lunenburg.

The property was worked as early as 1868 for gold, but its development for scheelite, an ore of tungsten, is of recent date. Scheelite is found in the quartz vein of the interstratified slate transversing the metamorphosed sediments.

Inspector of Mines in Charge

Two shallow shafts and surface trenching proved up a mineralized zone, which was further explored in 1931 by diamond drilling. Altogether, seven holes have been drilled to a maximum depth of 230 ft., which according to J. B. Messervey, inspector of mines for Nova Scotia, who is directing the work, proves at least two main ore zones. In these zones, Mr. Messervey says, some of the scheelite occurs in large segregations which can be hand-cobbed and picked as the ore is mined. To recover the balance a simple metallurgical treatment of grinding, followed by water concentration will have to be used.

In November, last, sinking of a third shaft was started on one of the most promising veins, indicated by the diamond drilling. This shaft encountered a 4-ft. belt of very rich ore which analyses 52.18 per cent "WO-3" tungsten tri-oxide. Five hundred pounds of ore from this vein is being treated by the ore-dressing laboratory of the Department of Mines at Ottawa to determine the best method for concentration. The Temiskaming testing laboratory at Cobalt reported on a sample running 59.29 per cent "WO-3," from which a concentrate of 74.42 per cent "WO-3" was made.

No Canadian Output

There has been no commercial production of tungsten ore in Canada, although small quantities have previously been reported in the Maritime Provinces as well as small amounts of scheelite being found with the gold ore in Porcupine.

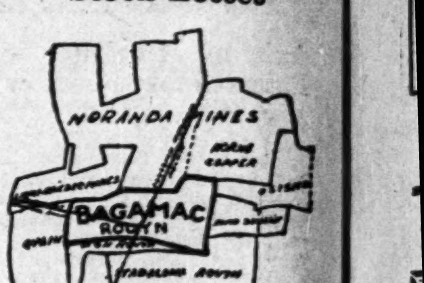
The economic importance of the metal is largely confined to its use in connection with the manufacture of high-speed steel.

In 1929, the last report available, the world production was given as 14,418 metric tons of concentrates showing 60 per cent "WO-3" tungsten tri-oxide. Of this world production China supplied approximately 6,500 tons, but production from this source has been gradually declining in recent years, while the production from the United States has been increasing, amounting to 22,300 tons in 1929. Another important source of the mineral is Burma, which in 1929 produced approximately 2,200 tons.

Trail Smelter Receipts

The following is a statement of the ore received at the Trail smelter of the Consolidated Mining & Smelting Co., for the period February 1, to February 7, 1932, and the total shipments to date:

Mine and locality	Feb. 1 to 7	1932 to date
Bell, Beaverdell	50	151
Clubine, Boulder Spar	..	24
Highland Lass, Beaverdell	..	52
Knob Hill Republic	..	43
Nevada, Nelson	2	2
Obrien, Cobalt, Ont.	43	85
Perrier, Nelson	199	662
Republic, Republic	46	46
Union, Lynch Creek	33	197
Yankee Girl, Ymir	..	55
Total	373	1,318
Smelters ore	6,848	39,417
Grand total	7,221	40,735



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P.S.—BAGAMAC is a "Penny" gold stock listed on the Standard Stock and Mining Exchange that has a chance of getting into the "Dollar" class.

Consold. Oka Places Value On Common

From Our Own Correspondent

MONTREAL.—Consolidated Oka Sand and Gravel Co., of Montreal, has received from the provincial government supplementary letters patent approving the placing of a valuation of $5 a share on the common stock of the company which heretofore had been of no par value. There is no change in the conditions attaching to the preferred stock.

Consequent upon the approval of this application, Consolidated Oka has an authorized capital of $1,000,000 of 7 per cent preferred and 50,000 shares of common stock of the par value of $5 each. There is issued at present $701,700 of preferred and 21,000 shares of the common stock.

Will Increase Surplus

This change in the capital structure of the company will not be taken into consideration in drawing up the annual report for 1931, which is expected to be made public toward the end of this month. The 1930 statement showed the preferred stock carried in the balance sheet at par, while $352,884 was placed against the common, or nearly $17 a share.

The placement of a valuation on the common stock will enable the company to add substantially to the surplus, which at the end of 1930 stood at $63,992.

PIONEER GOLD

WE have just issued a review of Pioneer Gold Mines of B. C., Ltd. This analysis is compiled from official statements and from reports of reputable mining engineers.

Pioneer Gold Mines is a well-managed, dividend-paying gold property which has developed important, high-grade gold reserves. Its mill capacity is now being trebled, all out of earnings. Increased earnings should become effective by Oct., 1932.

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